FINAL OFFER DOCUMENT
Dated May 6, 2021
Book Built Issue

POWERGRID Infrastructure Investment Trust

(Registered in the Republic of India as an irrevocable trust set up under the Indian Trusts Act, 1882, on September 14, 2020, and as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, on January 7, 2021, having registration number IN/InvIT/20-21/0016)
Principal Place of Business: Plot No. 2, Sector 29, Gurgaon 122 001
Tel: +91 124 282 3177; **Fax**: +91 124 282 3180; **Compliance Officer**: Anjana Luthra
E-mail: investors@pginvit.in; **Website**: www.pginvit.in

TRUSTEE	INVESTMENT MANAGER	SPONSOR
IDBI Trusteeship Services Limited	**POWERGRID Unchahar Transmission Limited**	**Power Grid Corporation of India Limited**

POWERGRID Infrastructure Investment Trust (the "**Trust**") is issuing 499,348,300* Units (as defined below) for cash at a price of ₹ 100 per Unit aggregating to ₹ 49,934.83 million (the "**Fresh Issue**") and the Selling Unitholder (as defined herein) is offering 274,150,800* Units aggregating to ₹ 27,415.08 million (the "**Offer for Sale**" and together with the Fresh Issue, the "**Offer**").

INITIAL PUBLIC OFFER IN RELIANCE UPON REGULATION 14(4) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED (THE "INVIT REGULATIONS")

* *Subject to finalization of Basis of Allotment*

The Units of the Trust are proposed to be listed on the National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**", together with NSE, the "**Stock Exchanges**"). The Trust has received in-principle approvals from BSE and NSE for listing of the Units pursuant to letters dated February 3, 2021 and February 2, 2021, respectively. NSE is the Designated Stock Exchange. This Offer constitutes at least 10% of the outstanding Units on a post-Offer basis.

The Price Band and the Minimum Bid Size (as determined by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers) was announced on the websites of the Trust, the Sponsor, the Investment Manager and the Stock Exchanges, as well as advertised in all editions of Financial Express (a widely circulated English national daily newspaper) and in all editions of Jansatta (a widely circulated Hindi national daily newspaper with wide circulation in Haryana) at least two Working Days prior to the Bid/Offer Opening Date. For further information, please see the section entitled "*Basis for Offer Price*" on page 90.

This Offer is being made through the Book Building Process and in compliance with the InvIT Regulations and the SEBI Guidelines, wherein not more than 75% of the Offer was available for allocation on a proportionate basis to Institutional Investors. The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, allocated up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis in accordance with the InvIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Offer was available for allocation on a proportionate basis to Non-Institutional Investors, in accordance with the InvIT Regulations and the SEBI Guidelines, subject to valid Bids being received at or above the Offer Price. For details, please see the section entitled "*Offer Information*" on page 252.

RISKS IN RELATION TO THE FIRST OFFER

This being the first issue of the Trust, there has been no formal market for the Units of the Trust. No assurance can be given regarding an active or sustained trading in the Units or regarding the price at which the Units will be traded after listing.

GENERAL RISKS

Investments in Units involve a degree of risk and investors should not invest any funds in this Offer unless they can afford to take the risk of losing their entire investment. For taking an investment decision, investors must rely on their own examination of the Trust and this Offer. Bidders are advised to read the section entitled "*Risk Factors*" on page 50 before making an investment decision relating to this Offer. Each prospective investor is advised to consult its own advisors in respect of the consequences of an investment in the Units being issued pursuant to the Offer Document. This Final Offer Document has been prepared by the Trust solely for providing information in connection with this Offer. The Securities and Exchange Board of India ("**SEBI**") and the Stock Exchanges assume no responsibility for or guarantee the correctness or accuracy of any statements made, opinions expressed or reports contained herein. Admission of the Units to be issued pursuant to this Offer for trading on the Stock Exchanges should not be taken as an indication of the merits of the Trust or of the Units. A copy of this Final Offer Document has been delivered to SEBI and the Stock Exchanges.

INVESTMENT MANAGER'S, SPONSOR'S AND SELLING UNITHOLDER'S ABSOLUTE RESPONSIBILITY

The Investment Manager and Sponsor, severally, having made all reasonable inquiries, accept responsibility for, and confirm that this Final Offer Document contains all information with regard to the Trust and this Offer, which is material in the context of this Offer, that the information contained in this Final Offer Document 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 Final Offer Document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Unitholder accepts responsibility for and confirms only the statements specifically confirmed or undertaken by the Selling Unitholder in this Final Offer Document, to be true and correct in all material respects and not misleading in any material respect, to the extent of the information specifically pertaining to the Selling Unitholder and the respective proportion of the Units being sold by the Selling Unitholder through the Offer for Sale.

LEAD MANAGERS				REGISTRAR TO THE OFFER
ICICI Securities Limited ICICI Centre H.T. Parekh Marg Churchgate Mumbai 400 020 **Tel:** +91 22 2288 2460 **Fax:** +91 22 2282 6580 **E-mail:** pgcil.invit@icicisecurities.com **Investor grievance E-mail:** customercare@icicisecurities.com **Contact Person:** Sameer Purohit / Rupesh Khant **Website:** www.icicisecurities.com **SEBI Registration Number:** INM000011179	**Axis Capital Limited** 1st Floor, Axis House C 2 Wadia International Centre Pandurang Budhkar Marg Worli Mumbai 400 025 **Tel:** +91 22 4325 2183 **Fax:** +91 22 4325 3000 **Email:** pgcil.invit@axiscap.in **Investor grievance id:** complaints@axiscap.in **Website:** www.axiscapital.co.in **Contact Person:** Sagar Jatakiya **SEBI Registration Number:** INM000012029	**Edelweiss Financial Services Limited** 6th Floor, Edelweiss House Off C.S.T. Road, Kalina Mumbai 400 098 **Tel:** +91 22 4009 4400 **Fax:** +91 22 4086 3610 **E-mail:** project.pgcil@edelweissfin.com **Investor grievance E-mail:** customerservice.mb@edelweissfin.com **Website:** www.edelweissfin.com **Contact Person:** Jaydeep Sarnaik / Neetu Ranka **SEBI Registration No.:** INM0000010650	**HSBC Securities and Capital Markets (India) Private Limited** 52/60, Mahatma Gandhi Road Fort, Mumbai 400 001 **Tel:** +91 22 2268 5555 **Fax:** +91 22 6653 6207 **E-mail:** projecpgcil@hsbc.co.in **Investor grievance e-mail:** investorgrievance@hsbc.co.in **Website:** https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback **Contact Person:** Sanjana Maniar / Dhananjay Sureka **SEBI Registration No.:** INM000010353	**KFin Technologies Private Limited** (Formerly known as "Karvy Fintech Private Limited") Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 **Tel:** +91 40 6716 2222 **Fax:** +91 40 2343 1551 **E-mail:** powergrid.invit@kfintech.com **Investor grievance e-mail:** einward.ris@kfintech.com **Website:** www.kfintech.com **Contact Person:** M Murali Krishna **SEBI Registration No.:** INR000000221

BID/OFFER PROGRAM

BID/OFFER OPENED ON: APRIL 29, 2021 (THURSDAY)*	BID/OFFER CLOSED ON: MAY 3, 2021 (MONDAY)

**The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date i.e. April 28, 2021 (Wednesday).*

TABLE OF CONTENTS

NOTICE TO INVESTORS

The statements contained in this Final Offer Document relating to the Trust and the Units are, in all material respects, true and accurate and not misleading, and the opinions and intentions expressed in this Final Offer Document with regard to the Trust and the Units are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available to the Trustee and the Investment Manager. There are no material facts in relation to the Trust and the Units, the omission of which would, in the context of the Offer, make any statement in this Final Offer Document misleading in any material respect. Further, the Investment Manager and Sponsor have made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements.

Bidders acknowledge that they have neither relied on the Lead Managers nor any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates in connection with such person's investigation of the accuracy of such information or such person's investment decision, and each such person must rely on his/her own examination of the Trust and the merits and risks involved in investing in the Units. Bidders should not construe the contents of this Final Offer Document as legal, business, tax, accounting or investment advice.

No person is authorized to give any information or to make any representation not contained in this Final Offer Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Trust or by or on behalf of the Lead Managers.

The Offer is being made in compliance with the InvIT Regulations and the SEBI Guidelines. The InvIT Regulations, SEBI Guidelines and any other applicable regulations, notifications or circulars issued by SEBI are applicable to all classes of investors who are eligible to invest in the Offer, including investors resident outside India.

SEBI Disclaimer

It is to be distinctly understood that submission of the Offer Document and this Final Offer Document to 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 Offer is proposed to be made or for the correctness of the statements made or opinions expressed in the Offer Document and this Final Offer Document.

NSE Disclaimer

As required, a copy of the Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/0064 dated February 02, 2021 permission to the Issuer to use the Exchange's name in the Offer Document as one of the stock exchanges on which this Issuer's units are proposed to be listed. The Exchange has scrutinized the draft offer document for its limited internal purpose of deciding on the matter granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE of been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer′s units will be listed or will continue to be listed on the Exchange; nor does it take any granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has responsibility for the financial or other soundness of this InvITs, its Sponsor, its Investment Manager or any project of this InvITs.

Every person who desires to apply for or otherwise acquire any units of this INVITs may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.

BSE Disclaimer

BSE Limited (the "**Exchange**") has given vide its letter dated February 3, 2021 permission to this Trust to use the Exchange's name in this offer document as one of the stock exchanges on which this Units of this Trust are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Trust. The Exchange does not in any manner:

a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or

b) warrant that this Trust Units will be listed or will continue to be listed on the Exchange; or

c) take any responsibility for the financial or other soundness of this Trust, its Investment Manager, its Sponsor(s), its Trustee or Project Manager(s);

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires the Units of this Trust may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Notice to Prospective Investors in the United States

The Units have not been recommended by any U.S. federal or state securities commission or regulatory authority. Further, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Final Offer Document or approved or disapproved the Units. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of the Trust and the terms of the Offer, including the merits and risks involved. The Units have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States 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. Accordingly, the Units are being offered and sold (a) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act ("**Rule 144A**") and referred to in this Final Offer Document as "**U.S. QIBs**", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Final Offer Document as "**QIBs**") in transactions exempt from the registration requirements of the Securities Act; and (b) outside the United States in compliance with Regulation S under the Securities Act ("**Regulation S**") and the applicable laws of the jurisdiction where those offers and sales are made.

Notice to Prospective Investors in Canada

Prospective Canadian investors are advised that the information contained within this Final Offer Document has not been prepared with regard to matters that may be of particular concern to Canadian investors. Accordingly, prospective Canadian investors should consult with their own legal, financial and tax advisers concerning the information contained within this Final Offer Document and as to the suitability of an investment in the Units in their particular circumstances.

The Units may be sold only to purchasers purchasing, or deemed to be purchasing, as principal that are both (i) accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and (ii) permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Units must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this Final Offer Document (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts ("**NI 33-105**"), the Lead Managers are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Upon receipt of this Final Offer Document, each Canadian purchaser hereby confirms that it has expressly requested that all documents evidencing or relating in any way to the sale of the securities described herein (including for greater certainty any purchase confirmation or any notice) be drawn up in the English language only. *Par la réception de ce document, chaque acheteur canadien confirme par les présentes qu'il a expressément exigé que tous les documents faisant foi ou se rapportant de quelque manière que ce soit à la vente des valeurs mobilières*.

Notice to Prospective Investors in the European Economic Area

This Final Offer Document has been prepared on the basis that all offers of the Units will be made pursuant to an exemption under the Prospectus Regulation (EU) 2017/1129, as implemented in Member States of the European Economic Area ("**EEA**")**,** from the requirement to produce a prospectus for offers of Units. Accordingly, any person making or intending to make an offer within the EEA of Units which are the subject of the placement contemplated in this Final Offer Document should only do so in circumstances in which no obligation arises for the Trust or any of the Lead Managers to produce a prospectus for such offer. None of the Trust and the Lead Managers have authorized, nor do they authorize, the making of any offer of the Units through any financial intermediary, other than the offers made by the Lead Managers which constitute the final placement of the Units contemplated in this Final Offer Document.

THE TRUST WILL BE CONSTRUED TO CONSTITUTE AN ALTERNATIVE INVESTMENT FUND FOR THE PURPOSE OF THE EUROPEAN UNION DIRECTIVE ON ALTERNATIVE INVESTMENT FUND MANAGERS (DIRECTIVE 2011/61/EU) ("**AIFMD**"). THE ALTERNATIVE INVESTMENT FUND MANAGER (THE "**AIFM**") OF THE TRUST WILL BE THE INVESTMENT MANAGER.

UNITS MAY ONLY BE MARKETED TO PROSPECTIVE INVESTORS WHICH ARE RESIDENT, DOMICILED OR HAVE A REGISTERED OFFICE IN A EUROPEAN ECONOMIC AREA ("**EEA**") MEMBER STATE ("**EEA MEMBER STATE**") IN WHICH THE MARKETING OF UNITS HAS BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER THE RELEVANT NATIONAL IMPLEMENTATION OF ARTICLE 42 OF AIFMD, AND IN SUCH CASES, ONLY TO EEA PERSONS WHICH ARE "PROFESSIONAL INVESTORS" OR ANY OTHER CATEGORY OF PERSON TO WHICH SUCH MARKETING IS PERMITTED UNDER THE NATIONAL LAWS OF SUCH EUROPEAN ECONOMIC AREA MEMBER STATE (EACH AN "**EEA PERSON**"). THIS FINAL OFFER DOCUMENT IS NOT INTENDED FOR, SHOULD NOT BE RELIED ON BY AND SHOULD NOT BE CONSTRUED AS AN OFFER (OR ANY OTHER FORM OF MARKETING) TO ANY OTHER EEA PERSON.

A "PROFESSIONAL INVESTOR" FOR THE PURPOSES OF AIFMD IS AN INVESTOR WHO IS CONSIDERED TO BE A PROFESSIONAL CLIENT OR WHICH MAY, ON REQUEST, BE TREATED AS A PROFESSIONAL CLIENT WITHIN THE RELEVANT NATIONAL IMPLEMENTATION OF ANNEX II OF DIRECTIVE 2014/65/EU (MARKETS IN FINANCIAL INSTRUMENTS DIRECTIVE).

A LIST OF JURISDICTIONS IN WHICH THE INVESTMENT MANAGER AND/OR TRUST HAVE BEEN REGISTERED OR AUTHORIZED (AS APPLICABLE) UNDER ARTICLE 42 OF AIFMD IS AVAILABLE FROM THE INVESTMENT MANAGER ON REQUEST. IF THE INVESTMENT MANAGER HAS NOT BEEN REGISTERED OR APPROVED IN A PARTICULAR EEA MEMBER STATE TO MARKET UNITS, THEN TRUST IS NOT BEING MARKETED TO ANY EEA PERSON AT SUCH DATE IN THAT EEA MEMBER STATE. TO THE EXTENT THAT AN AFFILIATE OF THE INVESTMENT MANAGER PROMOTES THE TRUST IN AN EEA MEMBER STATE, THEN SUCH PROMOTION IS BEING UNDERTAKEN FOR AND ON BEHALF OF THE INVESTMENT MANAGER IN SUCH CAPACITY.

Notice to Investors in certain other jurisdictions

The distribution of this Final Offer Document and the issue of the Units in certain jurisdictions may be restricted by law. As such, this Final Offer Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorised or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Investment Manager or the Lead Managers which would permit an Offer of the Units or distribution of this Final Offer Document in any jurisdiction, other than India. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Final Offer Document nor any Offer materials in connection with the Units may be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction.

DEFINITIONS AND ABBREVIATIONS

This Final Offer Document uses the definitions and abbreviations set forth below which you should consider when reading the information contained herein.

References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies 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 Final Offer Document, but not defined herein shall have the meaning ascribed to such terms under the InvIT Regulations, SEBI Guidelines, the SEBI Act, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the sections entitled "Combined Financial Statements", "Projections of Revenue from Operations and Cash Flow from Operating Activities", "Taxation" and "Legal and other Information" on pages 287, 360, 274 and 215, respectively, shall have the meanings ascribed to such terms in those respective sections.

In this Final Offer Document, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Trust and the Initial Portfolio Assets on a consolidated basis. For the sole purpose of Combined Financial Statements, reference to "we", "us" and "our" refers to Initial Portfolio Assets on a combined basis.

Trust Related Terms

Term	Description
Associate	Associate shall have the meaning set forth in Regulation 2(1)(b) of the InvIT Regulations. Since the Sponsor (and Project Manager) is promoted by the President of India, persons or entities that may be classified as 'associates' in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as 'associates' of the Sponsor (and Project Manager)
Auditors	S.K. Mittal & Co., Chartered Accountants, statutory auditors of the Trust
Audit Committee	The audit committee of the Investment Manager constituted in accordance with the Companies Act
Borrowing Policy	The borrowing policy of the Trust adopted by the Investment Manager pursuant to a resolution of the IM Board dated January 21, 2021
Combined Financial Statements	Audited combined financial statements of the Initial Portfolio Assets, which comprise the combined balance sheets as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, and the related combined statements of profit and loss (including other comprehensive income), combined statement of cash flow and combined statements of changes in Unitholder's Equity for the nine months ended December 31, 2020 and the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and a summary of significant accounting policies and other explanatory information extracted from the audited standalone financial statements under Ind AS, of the respective Initial Portfolio Assets that have been audited by the respective auditors of the Initial Portfolio Assets
Compliance Officer	The compliance officer of the Trust
CTU	Central Transmission Utility. Presently, Central Transmission Utility of India Limited, a wholly owned subsidiary of POWERGRID which was notified by the Government of India as the central transmission utility, effective from April 1, 2021
Distribution Policy	The distribution policy of the Trust adopted by the Investment Manager pursuant to a resolution of the IM Board dated January 21, 2021
Facilities	Collectively, the loans aggregating to ₹ 55,150 million to be provided by the Trust to the Initial Portfolio Assets in accordance with the Facility Agreements
Facility Agreements	Collectively, the facility agreements entered into between the Trust (acting through the Trustee), the Investment Manager and the Initial Portfolio Assets
IM Board	The board of directors of the Investment Manager
Initial Portfolio Asset(s)	Unless the context otherwise requires, PVTL, PKATL, PPTL, PWTL and PJTL (including their power transmission projects)
Investment Committee	The investment committee of the Investment Manager
Investment Management Agreement	Investment management agreement dated December 18, 2020 entered into between the Trustee (on behalf of the Trust), the Investment Manager and the Initial Portfolio Assets
Investment Manager or PUTL	POWERGRID Unchahar Transmission Limited

Term	Description
InvIT Assets	InvIT assets as defined in Regulation 2(l)(zb) of the InvIT Regulations, in this case being the Initial Portfolio Assets
Materiality of Information Policy	The policy for determining materiality of information for periodic disclosures of the Trust, adopted by the Investment Manager pursuant to a resolution of the IM Board dated January 21, 2021
O&M Agreements	Agreements entered into between POWERGRID and each of the Initial Portfolio Assets in relation to the operation, maintenance and management activities on behalf of each of the Initial Portfolio Assets
Parties to the Trust	The Sponsor, the Trustee, the Investment Manager and the Project Manager
PJTL	POWERGRID Jabalpur Transmission Limited
PJTL TSA	Transmission service agreement dated November 19, 2014 entered into by PJTL with LTTCs
PKATL	POWERGRID Kala Amb Transmission Limited
PKATL TSA	Transmission service agreement dated January 2, 2014 entered into by PKATL with LTTCs
Portfolio Assets	Initial Portfolio Assets and other power transmission projects as the context may require which are owned by the Trust from time to time
POWERGRID	Power Grid Corporation of India Limited
PPTL	POWERGRID Parli Transmission Limited
PPTL TSA	Transmission service agreement dated February 9, 2015 entered into by PPTL with LTTCs
Project Implementation and Management Agreement	Project implementation and management agreement dated January 23, 2021, entered into between the Trustee (on behalf of the Trust), the Project Manager, the Investment Manager and the Initial Portfolio Assets
Projections of Revenue from Operations and Cash Flow from Operating Activities	Projections of revenue from operations and cash flow from operating activities of the Trust (consisting of the Trust and the Initial Portfolio Assets) individually, for the years ending March 31, 2022, March 31, 2023 and March 31, 2024 along with the basis of preparation and other explanatory information and significant assumptions
PVTL	POWERGRID Vizag Transmission Limited
PVTL TSA	Transmission service agreement dated May 14, 2013 entered into by PVTL with LTTCs
PWTL	POWERGRID Warora Transmission Limited
PWTL TSA	Transmission service agreement dated February 9, 2015 entered into by PWTL with LTTCs
Related Parties	Related parties as defined under Regulation 2(1)(zv) of the InvIT Regulations
RPT Policy	The policy on related party transactions of the Trust adopted by the Investment Manager pursuant to a resolution of the IM Board dated January 21, 2021
Scheduled COD	Scheduled commercial operations date in terms of a transmission services agreement or as revised with the consent of the relevant LTTCs, as the case may be
Selling Unitholder	Power Grid Corporation of India Limited
Share Purchase Agreements	Collectively, the share purchase agreements to be entered into among the Sponsor, the Trustee (on behalf of the Trust) and the Investment Manager, in respect of the acquisition by the Trust of a portion of the equity shareholding of each of the Initial Portfolio Assets. For further details, please see the section entitled "*Formation Transactions in Relation to the Trust – Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor*" on page 23
Sponsor or Project Manager	POWERGRID
Sponsor TBCB Projects	Together, the 19 wholly-owned subsidiaries of the Sponsor, with 15 SPVs and four SPVs for ISTS projects and intra-state projects, respectively, each of which were acquired pursuant to the TBCB mechanism, but excluding the transmission system associated with 'IPPs of Vemagiri Area-Package A' which was subsequently cancelled by CERC
SPV(s)	Special purpose vehicles, as defined in Regulation 2(l)(zy) of the InvIT Regulations
Stakeholders' Relationship Committee	The stakeholders' relationship committee of the Investment Manager constituted in accordance with the Companies Act
Technical Consultant	Ravinder
Technical Reports	Technical consultant reports each dated November 2020, issued by the Technical Consultant, concerning the Initial Portfolio Assets, which are contained in this Final Offer Document.
Trademark License Agreement	The agreement dated January 23, 2021 entered into by and between the Sponsor, the Trustee (on behalf of the Trust) and the Investment Manager in relation to the usage of certain of the Sponsor's trademarks by the Trust and the Investment Manager.
Trust	POWERGRID Infrastructure Investment Trust
Trust Deed	Trust deed dated September 14, 2020, executed by and between the Sponsor and the Trustee
Trustee	IDBI Trusteeship Services Limited
Unitholder(s)	Any Person who holds Units (as hereinafter defined) upon making a defined contribution as determined by the Trustee

Term	Description
Unit	An undivided beneficial interest in the Trust, and such Units together represent the entire beneficial interest in the Trust
UPSI	Unpublished price sensitive information
UPSI Policy	The policy on unpublished price sensitive information and dealing in units by the Parties to the Trust, adopted by the Investment Manager pursuant to a resolution of the IM Board dated January 21, 2021
Valuation Report	The valuation report issued by the Valuer, which sets out their opinion as to the fair enterprise value of the Initial Portfolio Assets as on December 31, 2020, which is set out in Annexure A to this Final Offer Document.
Valuer	RBSA Valuation Advisors LLP

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allocated/ Allocation	Allocation of Units, following the determination of the Offer Price by the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, to Bidders on the basis of the Application Forms submitted by Investor
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment of Units to be issued pursuant to the Fresh Issue and transfer of Units offered by the Selling Unitholder pursuant to the Offer for Sale
Allotment Advice	Note, advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted Units after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottees	Bidders to whom Units are Allotted
Anchor Investor	An Institutional Investor, who applied under the Anchor Investor Portion in accordance with the requirements specified in the InvIT Regulations and the SEBI Guidelines in terms of the Offer Document
Anchor Investor Allocation Price	Price at which Units were allocated to Anchor Investors in terms of the Offer Document, which was decided by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers, being ₹ 100 per Unit
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which has been considered as an application for Allotment in terms of the Offer Document and this Final Offer Document
Anchor Investor Bidding Date	One Working Day prior to the Bid/ Offer Opening Date, on which Bids by Anchor Investors were submitted and allocation to Anchor Investors was completed i.e. April 28, 2021
Anchor Investor Portion	Not more than 60% of the Institutional Investor Portion which were be allocated by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers on a discretionary basis
Anchor Investor Offer Price	Final price at which Units will be Allotted to Anchor Investors in terms of the Offer Document and this Final Offer Document, which price will be equal to or higher than the Offer Price but not higher than the Cap Price, being ₹ 100 per Unit. The Anchor Investor Offer Price has been decided by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid by authorising an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bid	A Bid made by an ASBA Bidder including all revisions and modifications thereto as permitted under the InvIT Regulations and SEBI Guidelines
ASBA Bidder	All Bidders other than Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which was considered as the application for Allotment in terms of the Offer Document and this Final Offer Document
Axis	Axis Capital Limited
Basis of Allotment	The basis on which Units will be Allotted to successful Bidders under the Offer and which is described in the section entitled "*Offer Information*" on page 252
Bid	An indication to make an offer during the Bid/ Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or on the Anchor Investor Bidding Date by an Anchor

Term	Description
	Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase Units of the Trust at a price within the Price Band, including all revisions and modifications thereto as permitted under the InvIT Regulations and SEBI Guidelines
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidder or the amount payable by any Anchor Investor, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did not accept any Bids, being May 3, 2021 which was published in (i) all editions of Financial Express (a widely circulated English national daily newspaper); and (ii) all editions of Jansatta (a widely circulated Hindi national daily newspaper with wide circulation in Haryana)
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, being April 29, 2021 which was published in (i) all editions of Financial Express (a widely circulated English national daily newspaper); and (ii) all editions of Jansatta (a widely circulated Hindi national daily newspaper with wide circulation in Haryana)
Bid/ Offer Period	Period between the Bid/ Offer Opening Date and the Bid/ Offer Closing Date, inclusive of both days, during which Bidders, other than Anchor Investors, submitted their Bids, including any revisions thereof
Bid Lot	A minimum of 1,100 Units and in multiples of 1,100 Units thereafter
Bidder / Investor	Any prospective investor who made a Bid pursuant to the terms of the Offer Document and the Bid cum Application Form and unless otherwise states or implies, includes an Anchor Investor
Bidding Centres	Centres at which the Designated Intermediaries accepted ASBA Forms, i.e, Designated SCSB Branch for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Bodies Corporate	Bodies corporate as defined in Regulation 2(1)(d) of the InvIT Regulations
Book Building Process	The book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders could 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 websites of the respective Stock Exchanges (www.bseindia.com and www.nseindia.com)
Cap Price	The higher end of the Price Band, being ₹ 100 per Unit, above which the Offer Price was not finalised and above which no Bids were accepted
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Confirmation of Allocation Note or CAN	Notice or intimation of allocation of Units sent to Anchor Investors, who have been allocated Units, after the Anchor Investor Bidding Date
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Closing Date	Date on which Allotment shall be made, i.e. on or about May 11, 2021
Cut-off Price	Offer Price of the Units to be issued pursuant to this Offer which was finalised by the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details, PAN, DP ID and Client ID
Depository Participant or DP	A depository participant as defined under the Depositories Act
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account or the Refund Account, as appropriate
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who were authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders submitted ASBA Forms to RTAs.

Term	Description
	The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept Bid cum Application Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which collected the ASBA Forms, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	NSE
DP ID	Depository Participant's Identification
Draft Offer Document	The draft offer document dated January 25, 2021, issued in accordance with the InvIT Regulations, which did not contain complete particulars of the price at which the Units will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Offer Document constituted an invitation to subscribe to the Units
Escrow Account	'No-lien' and 'non-interest bearing' account opened with the Escrow Collection Bank(s) and in whose favour Anchor Investors transferred money through direct credit/NEFT/NACH/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement dated March 11, 2021, entered into amongst the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Registrar to the Offer, the Escrow Collection Banks, the Refund Banks, the Syndicate Member and the Lead Managers for, among other things, collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Escrow Collection Bank(s)	Axis Bank Limited
Final Offer Document	This Final Offer Document dated May 6, 2021 filed with SEBI and the Stock Exchanges after the Pricing Date in accordance with the InvIT Regulations and the SEBI Guidelines containing, amongst other things, the Offer Price that is determined at the end of the Book Building Process, the size of this Offer and certain other information, including any addenda or corrigenda thereto
First Bidder	Bidder whose name shall be mentioned first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, in this case being ₹ 99 at or above which the Offer Price and the Anchor Investor Offer Price was finalised and below which no Bids were accepted
Fresh Issue	The fresh issue of 499,348,300* Units aggregating to ₹ 49,934.83 million by the Trust **Subject to finalization of Basis of Allotment*
HSBC	HSBC Securities and Capital Markets (India) Private Limited
I-Sec	ICICI Securities Limited
Institutional Investors	Institutional Investor means (i) a Qualified Institutional Buyer, or (ii) a family trust or systematically important non-banking financial companies registered with RBI or intermediaries registered with SEBI all with net-worth of more than ₹5,000 million as per the last audited financial statements
Institutional Investor Portion	Portion of the Offer (including the Anchor Investor Portion) being not more than 75% of the Offer, comprising not more than 580,123,500* Units which were available for allocation to Institutional Investors (including Anchor Investors), subject to valid Bids being received at or above the Offer Price ** Subject to finalization of Basis of Allotment*
InvIT Documents	(i) The Trust Deed; (ii) the Investment Management Agreement; (iii) the Project Implementation and Management Agreement; and (iv) such other policies, documents, agreements and letters executed in connection with the Trust, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any
Lead Managers	I-Sec, Axis, Edelweiss and HSBC
Listing Agreement	Listing agreements to be entered into with the Stock Exchanges by the Trust, in line with the format as specified under the Securities and Exchange Board of India circular number CIR/CFD/CMD/6/2015 dated October 13, 2015 on "Format of uniform Listing Agreement"
Listing Date	Date on which the Units will be listed on the Stock Exchanges
Minimum Bid Size	₹ 0.1089 million

Term	Description
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Non-Institutional Investors	All Bidders, that are not QIBs (including Anchor Investors), who have Bid for Units in the Offer
Non-Institutional Investor Portion	Portion of the Offer being not less than 25% of the Offer, comprising 193,375,600* Units, which were available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price * *Subject to finalization of Basis of Allotment*
Non-Resident Indian/ Non-Resident	An individual resident outside India who is a citizen or is an 'overseas citizen of India' cardholder within the meaning of Section 7A of the Citizenship Act, 1955 and includes a Non-Resident Indian, FVCIs, FIIs and FPIs
Offer	The offer of 773,499,100* Units (as defined below) for cash at a price of ₹ 100 per Unit aggregating to ₹ 77,349.91 million. The Offer comprises a Fresh Issue of 499,348,300* Units aggregating to ₹ 49,934.83 million by the Trust and an Offer for Sale of 274,150,800* Units aggregating to ₹ 27,415.08 million by the Selling Unitholder **Subject to finalization of Basis of Allotment*
Offer Agreement	Agreement dated January 25, 2021 entered into amongst the Trustee (on behalf of the Trust), the Trustee, the Sponsor, the Selling Unitholder, the Investment Manager, the Project Manager and the Lead Managers
Offer Document	The Offer Document dated April 22, 2021, filed with SEBI and the Stock Exchanges in accordance with the provisions of the InvIT Regulations and the SEBI Guidelines, which did not have complete particulars of the Price Band and the Offer Price at which the Units will be offered and the size of this Offer including the Notice to Investors dated April 28, 2021 published on April 30, 2021 and any addenda, corrigenda thereto The Offer Document was filed with SEBI and the Stock Exchanges and has become this Final Offer Document which has been filed with SEBI and the Stock Exchanges after the Pricing Date
Offer for Sale	The offer for sale of 27,41,50,800* Units, aggregating to ₹ 27,415.08 million by the Selling Unitholder * *Subject to finalisation of Basis of Allotment*
Offer Price	₹ 100 per Unit, being the final price at which Units will be Allotted to successful Bidders, other than Anchor Investors, in terms of the Offer Document The Offer Price has been decided by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers on the Pricing Date
Offer Proceeds	The proceeds of the Fresh Issue that will be available to the Trust, pursuant to this Offer, being ₹ 49,934.83 million*. The Selling Unitholder will be entitled to the proceeds of the Offer for Sale, pursuant to this Offer, being ₹ 27,415.08 million. The Trust will not receive any proceeds from the Offer for Sale For further details about the use of the Offer Proceeds and the Offer Expenses, please see the section entitled "*Use of Proceeds*" on page 164 **Subject to finalization of Basis of Allotment*
Offer Size	773,499,100 Units* aggregating ₹ 77,349.91 million * *Subject to finalisation of Basis of Allotment*
Pay-in Date	Last date specified in the CAN for payment of application monies by the Allottees
Price Band	Price band between the minimum price of ₹ 99 per Unit (Floor Price) and the maximum price of ₹ 100 per Unit (Cap Price) The Price Band was decided by the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, and was announced at least two Working Days prior to the Bid/ Offer Opening Date, on the websites of the Trust, the Sponsor and the Investment Manager, and was made available to the Stock Exchanges for the purpose of uploading on their respective websites
Pricing Date	The date on which the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, finalised the Offer Price, being May 6, 2021

Term	Description
Public Offer Account	'No-lien' and 'non-interest bearing' bank account opened to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Public Offer Account Bank	Axis Bank Limited
Qualified Institutional Buyers or QIB(s)	Qualified institutional buyers, as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations, which currently includes (i) a mutual fund, a VCF, an AIF and an FVCI registered with SEBI, (ii) an FPI, other than individuals, corporate bodies and family offices, (iii) a public financial institution as defined in section 2(72) of the Companies Act, 2013, (iv) a scheduled commercial bank as included in the second schedule to the Reserve Bank of India Act, 1934, (v) a multilateral and bilateral development financial institution, (vi) a state industrial development corporation, (vii) an insurance company registered with the IRDAI, (viii) a provident fund with minimum corpus of ₹ 250 million, (ix) a pension fund with minimum corpus of ₹ 250 million, (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the GoI published in the Gazette of India, (xi) insurance funds set up and managed by army, navy or air force of the Union of India, (xii) insurance funds set up and managed by the Department of Posts, India, and (xiii) systemically important non-banking financial companies.
Refund Account(s)	'No-lien' and 'non-interest bearing' account opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Anchor Investors shall be made
Refund Bank(s)	Axis Bank Limited
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than Lead Managers and the Syndicate Member, eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar Agreement	The agreement dated January 23, 2021, entered into between the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer pertaining to the Offer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer	KFin Technologies Private Limited
Revision Form	Form used by the Bidders to modify the quantity of Units or the Bid Amount in any of their ASBA Forms or any previous Revision Forms Bidders are not allowed to withdraw or lower their Bids (in terms of number of Units or the Bid Amount) at any stage
Self Certified Syndicate Bank(s) or SCSB(s)	Banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34 or https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=35, as applicable, or such other website as updated from time to time, and updated from time to time
Specified Locations	Bidding centres where the Syndicate accepted ASBA Forms from Bidders
Syndicate Agreement	The agreement dated March 11, 2021, entered into between the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Lead Managers, the Syndicate Member and the Registrar to the Offer in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate/ Members of the Syndicate	The Lead Managers and the Syndicate Member
Syndicate Member	Intermediary, registered with SEBI who are permitted to carry out activities as an underwriter, being, Edelweiss Securities Limited
Underwriters	Collectively, the Lead Managers and the Syndicate Member
Underwriting Agreement	The agreement dated May 6, 2021, entered into between the Trustee (on behalf of the Trust), the Underwriters, the Investment Manager, the Selling Unitholder, the Trustee, the Sponsor and the Project Manager
Unit Escrow Agent	KFin Technologies Private Limited
Unit Escrow Agreement	Agreement dated March 11, 2021, entered into amongst the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Lead Managers and the Unit Escrow Agent in relation to the transfer of Units under the Offer by the Selling Unitholder and credit of such Units to the demat accounts of the Allottees
Working Day	Working Day, with reference to (a) announcement of Price Band; and (b) Bid/ Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial

Term	Description
	banks in Mumbai are open for business; and (c) the time period between the Bid/ Offer Closing Date and the listing of the Units on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018

Technical and Industry related terms

Term	Description
APTEL / ATE	Appellate Tribunal for Electricity
BCD Procedure	Billing, collection and disbursement procedure
BOOM	Build-own-operate-maintain
CERC Sharing Regulations	Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020
CERC Tariff Regulations	Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019
CIRP	Corporate insolvency resolution process
COD	Commercial operation date
ckm	Circuit kilometres
D/C	Double circuit
EDC	Expenditure during construction
EHS	Environmental, health and safety
ERP	Enterprise resource planning
FACTS	Flexible AC Transmission System
GIS	Gas insulated switchgear
ICT	Inter Connecting Transformer
IDC	Interest during construction
IEDC	Incidental expenditure during construction
ISO	International Organization for Standardization
ISTS	Inter-state transmission system
kV	Kilo Volt
LILO	Loop In Loop Out
LTA	Long term access
LTTC	Long Term Transmission Customer
MVA	Megavolt-Ampere
MVAR	Megavolt-Ampere Reactive
NOC	No-objection certificate
MoP	Ministry of Power
NER	North Eastern Region
NLDC	National Load Despatch Centre
O&M	Operation and maintenance
PoC	Point of collection
PoC Mechanism	Point of collection mechanism
POSOCO	Power System Operation Corporation Limited
RLDC	Regional load despatch centre
RPC	Regional Power Committee
RSA	Revenue sharing agreement
RTM	Regulated tariff mechanism
S/C	Single circuit
S/s or SS	Substation
SLDC	State load despatch centre
STATCOM	Static Synchronous Compensator
STPP	Super Thermal Power Plant
STPS	Super Thermal Power Station
TBCB	Tariff based competitive bidding
Telegraph Act	Indian Telegraph Act, 1885
TSA	Transmission service agreement

Abbreviations

Term	Description
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
AIFM	Alternative investment fund managers
AIFMD	Directive 2011/61/EU of the European Parliament and of the Council of 8 June 2011 on Alternative Investment Fund Managers
ATS	Associated Transmission System
Bankruptcy Code	Insolvency and Bankruptcy Code, 2016
BSE	BSE Limited
CDSL	Central Depository Services (India) Limited
CEA	Central Electricity Authority
CERC	Central Electricity Regulatory Commission
CIN	Corporate Identity Number
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956
Companies Act, 2013	Companies Act, 2013
Competition Act	Competition Act, 2002
CPSE	Central Public Sector Enterprise
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depositories Act	Depositories Act, 1996
DIN	Director Identification Number
Electricity Act	The Electricity Act, 2003
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	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
FIR	First Information Report
FPI	Foreign portfolio investors
FVCI	Foreign venture capital investors, as defined under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GIR	General Index Registrar
GoI or Government	Government of India
GST	Goods and Services Tax
ICAI	Institute of Chartered Accountants of India
Income Tax Act or IT Act	The Income-tax Act, 1961
Ind AS	Companies (Indian Accounting Standards) Rules, 2015, notified on February 19, 2015 by the MCA, including any amendments or modifications thereto
Indian GAAS	Generally Accepted Auditing Standards in India
InvIT	Infrastructure investment trust
InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014
IRDAI	Insurance Regulatory and Development Authority of India
MCA	Ministry of Corporate Affairs, Government of India
MoEF	Ministry of Environment, Forest and Climate Change
NACH	National Automated Clearing House
NEAT	National Exchange for Automated Trading
NSDL	National Securities Depository Limited
NEFT	National Electronic Funds Transfer
NSE	The National Stock Exchange of India Limited
PAN	Permanent account number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
REIT	Real estate investment trust
RoC	Registrar of Companies, Delhi and Haryana at New Delhi
Rs./Rupees/INR/₹	Indian Rupees
RTGS	Real Time Gross Settlement
Rule 144A	Rule 144A under the Securities Act
SCRA	Securities Contracts (Regulation) Act, 1956
SCR (SECC) Regulations	Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2012
SCRR	Securities Contracts (Regulation) Rules, 1957

Term	Description
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012
SEBI Debenture Trustees Regulations	Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI Guidelines	SEBI circular dated May 11, 2016, as amended on January 15, 2019, on Guidelines for public issue of units of InvITs, SEBI circular dated October 20, 2016 on Disclosure of financial information in offer document/placement memorandum for InvITs, SEBI circular dated November 29, 2016 on Continuous disclosures and compliances by InvITs and SEBI circular dated April 23, 2019 on Guidelines for determination of allotment and trading lot size for Real Estate Investment Trusts (REITs) and Infrastructure Investment Trusts (InvITs) and any other circulars, guidelines and clarifications issued by SEBI under the InvIT Regulations, from time to time
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996, as repealed by the SEBI AIF Regulations
Securities Act	U.S. Securities Act of 1933, as amended
SERC	State Electricity Regulatory Commission
Stock Exchanges	Together, BSE and NSE
U.S./U.S.A/United States	United States of America
USD/US$	United States Dollars

PRESENTATION OF FINANCIAL DATA AND OTHER INFORMATION

Certain Conventions

All references in this Final Offer Document to "India" are to the Republic of India.

Unless stated otherwise, all references to page numbers in this Final Offer Document are to the page numbers of this Final Offer Document.

Financial Data

Unless the context requires otherwise, the financial information in this Final Offer Document in relation to the Trust, is derived from the audited combined financial statements of the Initial Portfolio Assets, which comprise the combined balance sheets as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, and the related combined statements of profit and loss (including other comprehensive income), combined statement of cash flows and combined statements of changes in Unitholder's Equity for the nine months ended December 31, 2020 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and a summary of significant accounting policies and other explanatory information extracted from the audited standalone financial statements under Ind AS, of the respective Initial Portfolio Assets that have been audited by the respective auditors of the Initial Portfolio Assets ("**Combined Financial Statements**"). The Combined Financial Statements have been prepared in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements. For further details, please see the section entitled "*Combined Financial Statements*" on page 287.

Further, this Final Offer Document includes projections of revenue from operations and cash flow from operating activities of the Trust (consisting of the Trust and the Initial Portfolio Assets) individually, for the financial years ended March 31, 2022, 2023 and 2024, prepared in accordance with the basis of preparation as set out in note 2.1 of projections of revenue from operations and cash flow from operating activities (the "**Projections of Revenue from Operations and Cash Flow from Operating Activities**"). For further details, please see the section entitled "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360.

Further, this Final Offer Document includes summary financial statements of the (i) Sponsor, as of and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018; and (ii) Investment Manager, as of and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018, derived respectively from the consolidated financial statements of the Sponsor for the respective years and from the standalone financial statements of the Investment Manager for the respective years, which were prepared in accordance with Ind AS and the Companies Act. For further details, please see the sections entitled "*Summary Financial Information of the Sponsor*" and "*Summary Financial Information of the Investment Manager*" on pages 32 and 36, respectively.

The degree to which the financial information included in this Final Offer Document 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 and the InvIT Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Final Offer Document should accordingly be limited.

The financial year for the Trust and Parties to the Trust commences on April 1 and ends on March 31 of the next year; accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

In this Final Offer Document, 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.

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 Final Offer Document have been presented in "million" or "billion" units. One million represents 1,000,000 and one billion represents 1,000,000,000.

Unless the context requires otherwise, any percentage amounts, as set forth in this Final Offer Document, have been calculated on the basis of the Combined Financial Statements, and the summary financial statements of the Sponsor on a consolidated basis and the Investment Manager on a standalone basis.

Exchange Rates

This Final Offer Document 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 sets forth, for the dates indicated, information with respect to the exchange rate between the Rupee and the US$ (in Rupees per US$):

Currency	As on (in ₹)			
	December 31, 2020	March 31, 2020	March 31, 2019*	March 31, 2018**
1 US$	73.05	75.39	69.17	65.04

Source: www.rbi.gov.in and *https://fbil.org.in*

**Exchange rate as on March 29, 2019, as RBI Reference Rate is not available for March 30, 2019 being Saturday and March 31, 2019 being a Sunday.*

***Exchange rate as on March 28, 2018, as RBI Reference Rate is not available for March 29, 2018 and March 30, 2018 being public holidays and March 31, 2018 being a Saturday.*

Industry and Market Data

Unless stated otherwise, industry and market data used in this Final Offer Document has been obtained or derived from publicly available information. Although the Investment Manager believes that the industry and market data used in this Final Offer Document is reliable, it has not been independently verified by the Investment Manager, the Sponsor, the Selling Unitholder, the Trustee or the Lead Managers, or any of their affiliates or advisors and their accuracy and completeness are not guaranteed and their reliability cannot be assured. The data used in these sources may have been re-classified by us 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 50. Accordingly, no investment decisions should be based on such information.

The extent to which the market and industry data used in this Final Offer Document is meaningful depends on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which business of the Trust is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer of CRISIL Ratings Limited

"*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. POWERGRID Infrastructure Investment 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. For the latest rating information on any instrument of any company rated by CRISIL Ratings, please contact Customer Service Helpdesk at 1800-267-1301."

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Final Offer Document that are not statements of historical fact constitute "forward-looking statements". Bidders can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "may", "objective", "plan", "potential", "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 the Trust and the Projections of Revenue from Operations and Cash Flow from Operating Activities are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Trust's expected financial conditions, results of operations and cash flows, business plans and prospects including the Projections of Revenue from Operations and Cash Flow from Operating Activities are forward-looking statements. These forward-looking statements include statements as to the Trust's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Final Offer Document that are not historical facts. Further, please note that the Projections of Revenue from Operations and Cash Flow from Operating Activities included in this Final Offer Document are based on a number of assumptions. For further details, please see the section entitled "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360.

The Valuation Report included in this Final Offer Document, is based on certain projections and accordingly, should be read together with assumptions, limiting conditions and notes thereto. For further details, please see the "*Valuation Report*" attached as Annexure A to this Final Offer Document.

Actual results may differ materially from those suggested by the forward-looking statements or financial projections 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 or regulatory 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, 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 develop, operate and maintain the Initial 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 the Trust to differ materially include, but are not limited to, those discussed in the sections entitled "*Risk Factors*", "*Overview of the Power Industry in India*", "*Our Business*" and "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows*", on pages 50, 130, 138 and 169, respectively. Some of the factors that could cause the Trust'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:

- The Trust is a newly settled trust and does not have an established operating history, which will make it difficult to accurately assess our future growth prospects;

- We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability which may adversely affect our cash flows and results of operations;

- Substantially all our revenues are derived from payments received from Designated Inter State Transmission System Customers. A delay in payments of billed transmission charges by the DICs to the CTU may adversely affect our cash flows and results of operations;

- As the terms and conditions, including the transmission charges under the TSAs are generally fixed, we may not be able to offset increase in costs, including operation and maintenance costs, solely from transmission charges payable to us under the TSAs. This may adversely impact our business, prospects, financial condition, results of operations and cash flows;

- The ability of the Project Manager to ensure that our power transmission systems are fully operational at all times may be subject to the limitations of the power grid, existing equipment or operational risks outside of its control;

- The financial projections are subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, that could cause actual results to differ materially from those projected. Accordingly, the Initial Portfolio Assets may not achieve the projected financial performance referred to in the financial projections, which would adversely affect our ability to meet our projected distributions to our Unitholders;

- We may not be able to make distributions to our Unitholders comparable to our Unitholders' estimated or anticipated distributions or at all;

- Any changes to current tariff policies or regulations governing the CTU or load despatch centres by regulatory authorities could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows;

- Our businesses could be adversely affected if we are unable to maintain or renew our existing regulatory approvals, or obtain any new approvals due to changes to the regulatory environment and the laws, rules and directives of the GoI; and

- 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 in a timely manner or at all, which could impede the implementation of our acquisition strategy and may adversely impact our business.

Forward-looking statements and Projections of Revenue and Operating Cash Flow from Operating Activities reflect current views as of the date of this Final Offer Document and are not a guarantee of future performance or returns to Bidders. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. Although each of the Investment Manager and the Sponsor believes that the expectations and the assumptions upon which such forward-looking statements are based are reasonable at this time, it cannot assure Bidders that such expectations will prove to be correct or accurate. In accordance with the InvIT Regulations, the assumptions underlying the Projections of Revenue from Operations and Cash Flow from Operating Activities have been examined by the Auditors. The Projections of Revenue from Operations and Cash Flow from Operating Activities have been prepared for inclusion in this Final Offer Document for the purposes of this Offer, using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur, and have been approved by the IM Board. Consequently, Bidders are cautioned that the Projections of Revenue from Operations and Cash Flow from Operating Activities may not be appropriate for purposes other than that described above. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and Projections of Revenue from Operations and Cash Flow from Operating Activities. In any event, these statements speak only as of the date of this Final Offer Document or the respective dates indicated in this Final Offer Document, and the Trust, the Investment Manager, the Selling Unitholder and the Lead Managers or any of their affiliates or advisors, undertake no obligation to update or revise any of them, whether as a result of new information, future events or otherwise after the date of this Final Offer Document. If any of these risks and uncertainties materialize, or if any of the Investment Manager's underlying assumptions prove to be incorrect, the actual results of operations or financial condition or cash flow of the Trust could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Trust are expressly qualified in their entirety by reference to these cautionary statements.

THE OFFER

The following is a general summary of the terms of this Offer. This summary should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Final Offer Document:

Offer	773,499,100^ Units aggregating to ₹ 77,349.91 million
Of which	
Fresh Issue#	499,348,300^ Units aggregating to ₹ 49,934.83 million
Offer for Sale##	274,150,800^ Units aggregating to ₹ 27,415.08 million
The Offer	773,499,100^ Units aggregating to ₹ 77,349.91 million
Of which	
Institutional Investor Portion (not more than 75% of this Offer)*	Not more than 58,01,23,500^ Units
Non-Institutional Investor Portion (not less than 25% of this Offer)	Not less than 19,33,75,600^ Units
Floor Price	₹ 99
Cap Price	₹ 100
Offer Price	₹ 100
Minimum Bid Size	₹ 0.1089 million
Bid / Offer Opening Date**	April 29, 2021
Bid / Offer Closing Date	May 3, 2021
Trust	POWERGRID Infrastructure Investment Trust
Sponsor	Power Grid Corporation of India Limited
Trustee	IDBI Trusteeship Services Limited
Investment Manager	POWERGRID Unchahar Transmission Limited
Project Manager	Power Grid Corporation of India Limited
Selling Unitholder	Power Grid Corporation of India Limited
Authority for this Offer	This Offer was authorised and approved by the IM Board on January 21, 2021. The Offer for Sale has been authorised by the board of directors of the Selling Unitholder on January 19, 2021 and April 23, 2021.
Tenure of the Trust	The Trust shall remain in force perpetually until it is dissolved or terminated in accordance with the Trust Deed. For details, please see the section entitled "*Parties to the Trust*" on page 92.
Units issued and outstanding as of the date of this Final Offer Document	The first Allotment of Units, being 410,650,900 Units, has been undertaken to the Sponsor on May 6, 2021, in accordance with the Share Purchase Agreements (for further details, please see the section entitled "*Related Party Transactions – Share Purchase Agreements*" on page 199) after the Bid / Offer Closing Date and prior to the Allotment of Units pursuant to the Offer
Units issued and outstanding immediately after this Offer	909,999,200
Sponsor Units as on the date of this Final Offer Document	410,650,900 Units The Units to be held by the Sponsor have been allotted to the Sponsor, prior to the Allotment pursuant to this Offer, pursuant to the board resolution of the Investment Manager dated May 6, 2021. Such Units held by the Sponsor shall rank *pari passu* with, and have the same rights as, the Units to be Allotted.
Distribution	Please see the section entitled "*Distribution*" on page 194.
Indian Taxation	Please see the section entitled "*Taxation"* on page 274.
Use of Proceeds	Please see the section entitled *"Use of Proceeds*" on page 164.
Listing	Prior to this Offer, there was no market for the Units of the Trust. The Units are proposed to be listed on NSE and BSE. In-principle approvals for listing of the Units have been received from BSE and NSE on February 3, 2021 and February 2, 2021, respectively. The Investment Manager shall apply to BSE and NSE for the final listing and trading approvals, after the Allotment and the credit of the Units to the beneficiary accounts with the Depository Participants.
Designated Stock Exchange	NSE
Closing Date	The date on which Allotment of the Units pursuant to this Offer shall be made, i.e. on or about May 11, 2021
Ranking	The Units being issued shall rank *pari passu* in all respects, including rights in respect of distribution.

	Please see the section entitled *"Rights of Unitholders"* on page 247.
Lock-in and Rights of Unitholders	For details, please see the sections entitled "*Information concerning the Units*" and "*Rights of Unitholders*" on pages 163 and 247, respectively.
Risk Factors	Prior to making an investment decision, Bidders should carefully consider the matters discussed in the section entitled *"Risk Factors*" on page 50.

* *The Investment Manager and the Selling Unitholder have, in consultation with the Lead Managers, considered participation by Anchor Investors in this Offer for up to 60% of the Institutional Investor Portion in accordance with the InvIT Regulations and the SEBI Guidelines.*

** *The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date i.e. April 28, 2021.*

\# *The Fresh Issue has been authorised by a resolution of the IM Board dated January 21, 2021.*

\#\# *The Selling Unitholder has consented to participate in the Offer for Sale pursuant to a resolution of the board of directors dated January 19, 2021 and April 23, 2021. Further, with respect to the Units offered by the Selling Unitholder in the Offer for Sale, the Selling Unitholder has held equity shares in the Initial Portfolio Assets (against which such Units are to be received), for a period of at least one year immediately preceding the date of the Offer Document.*

^ *Subject to finalisation of Basis of Allotment.*

Allocation in all categories, except the Anchor Investor Portion shall be made on a proportionate basis. In case of under-subscription in any category, the unsubscribed portion in either category may be Allotted to investors in the other category at the discretion of the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers and the Designated Stock Exchange.

The Offer is made through the Book Building Process, wherein not more than 75% of the Offer was available for allocation to Institutional Investors on a proportionate basis. The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, allocated up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis in accordance with the InvIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Offer was available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price.

The Units, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

In accordance with the InvIT Regulations and the SEBI Guidelines, the Investment Manager undertakes that at any given time, there shall only be one denomination for the Units, and no Unitholder shall enjoy superior voting or any other rights over another Unitholder. Further, there shall not be multiple classes of Units.

For further details in relation to this Offer, including the method of application, please see the section entitled "*Offer Information*" on page 252.

OVERVIEW OF THE TRUST

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 Final Offer Document. Statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are based on certain assumptions and are subject to certain risks, uncertainties and assumptions that could cause actual results of the Trust to differ materially from those forecasted or projected in this Final Offer Document. 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 the Trust, the Selling Unitholder, the Parties to the Trust or the Lead Managers or any other person or that these results will be achieved or are likely to be achieved. Investment in Units involves risks. Bidders are advised not to rely solely on this overview, and should read this Final Offer Document in its entirety and, in particular, the sections entitled "Forward-Looking Statements" and "Risk Factors" on page 16 and 50, respectively.

Structure and description of the Trust

The Sponsor settled the Trust on September 14, 2020 as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882. The Trust was registered with SEBI on January 7, 2021 as an infrastructure investment trust under Regulation 3(1) of the InvIT Regulations having registration number IN/InvIT/20-21/0016. The Sponsor has settled the Trust for an initial sum of ₹ 10,000.

For details of the registered office and contact person of the Sponsor, please see the section entitled *"General Information"* on page 83.

Further, PUTL has been appointed as the investment manager, and POWERGRID has been appointed as the project manager to the Trust. For further details please see the section entitled "*Parties to the Trust*" on page 92.

Investment Objectives

The investment objectives of the Trust are to carry on the activities of and to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations and the Trust Deed. The investment of the Trust shall be in any manner permissible under, and in accordance with the InvIT Regulations and applicable law including in holding companies and/or special purpose vehicles and/or infrastructure projects and/or securities in India as permitted under the InvIT Regulations. Whilst making such investments, the Trust shall adhere to the investment strategy as detailed herein and as set out in the section entitled "*Our Business*" on page 138. The investment by the Trust shall be in compliance with the provisions of the InvIT Regulations.

As on the date of this Final Offer Document, the Trust is not permitted to carry out any other principal activity unless specifically provided under the applicable law.

Fee and expenses

Annual Expenses

The expenses in relation to the Trust, other than such expenses incurred in relation to operations of Initial Portfolio Assets, would broadly include fees and expenses payable to (i) Trustee; (ii) Investment Manager; (iii) Project Manager; (iv) Auditor; (v) Valuer; and (vi) other intermediaries and consultants.

The estimated recurring expenses on an annual basis are as follows:

(₹ in million)

Payable by the Trust	Estimated Expenses
Trustee fee	0.35
Investment Manager fee	72.50*
Project Manager fee	42.01
Fee payable to the credit rating agencies	1.76
Auditor fee, Valuer fee, other intermediaries and consultants and others	2.00**
Total	**118.62**

* *Please note that this amount is the management fee payable for Fiscal 2021. Pursuant to the terms of the Investment Management Agreement, the management fee payable to the Investment Manager shall be the aggregate of:*

(i). ₹ 72,500,000 per annum, in relation to the Initial Portfolio Assets; and
(ii). 0.10% of the aggregate gross block of all holding companies and special purpose vehicles acquired by the Trust after the execution of the Investment Management Agreement.

Further, the management fee set out above shall be subject to escalation on an annual basis at the rate of 6.75% of the management fee for the previous year. Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee and shall be payable by the Trust to the Investment Manager.

** *Exclusive of taxes and subject to variation*

Offer Expenses

The total expenses of this Offer are estimated to be approximately ₹ 380.21 million which will be borne by the Sponsor. For details in relation to the issue expenses for this Offer, please see the section entitled "*Use of Proceeds*" on page 164.

Set-up expenses

The expenses in relation to setting up the Trust, being an aggregate of ₹ 1.11 million, have been borne by the Sponsor, on behalf of the Trust.

Details of credit ratings

We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively.

Vision Statement

The vision of Trust is to achieve the following:

(i). a focused business model with productive and operational efficiency to enhance returns;
(ii). capitalising on value accretive growth through acquisitions and non-transmission revenues; and
(iii). optimising transmission assets through an efficient capital structure.

For further details, please see the sections entitled "*Our Business – Business Strategies*" and "*Risk Factors*" on pages 143 and 50, respectively.

FORMATION TRANSACTIONS IN RELATION TO THE TRUST

Details of arrangement pertaining to the Trust

The Trust's Initial Portfolio Assets comprise PVTL, PKATL, PPTL, PWTL and PJTL. The details of the Initial Portfolio Assets are provided below:

1. ***POWERGRID Vizag Transmission Limited ("PVTL")***

PVTL was incorporated as 'Vizag Transmission Limited' on November 30, 2011 under the Companies Act, 1956, pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi and Haryana. Fresh certificates of incorporation dated November 28, 2014 and February 19, 2015 were issued by the Registrar of Companies, Delhi, recording the change of PVTL's name to 'POWERGRID Vizag Transmission Limited' and 'POWERGRID Vizag Transmission Limited', respectively. The registered office of PVTL is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The CIN of PVTL is U40300DL2011GOI228136.

Capital structure of PVTL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	220,000,000	220,000,000
Issued, subscribed and paid-up capital	209,730,000	209,730,000

Pursuant to the Share Purchase Agreement, the Trust holds 74%, and the Sponsor (jointly with its nominees) holds 26%, of the issued, subscribed and paid-up share capital of PVTL as on the date of this Final Offer Document.

2. ***POWERGRID Kala Amb Transmission Limited ("PKATL")***

PKATL was incorporated as 'NRSS XXXI (A) Transmission Limited' on July 29, 2013 under the Companies Act, 1956 pursuant to a certificate of incorporation issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. A certificate of incorporation pursuant to change of name dated September 30, 2014 was issued by the Registrar of Companies, Delhi, recording the change of PKATL's name to 'POWERGRID Kala Amb Transmission Limited'. The registered office of PKATL is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The CIN of PKATL is U40106DL2013GOI256048.

Capital structure of PKATL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	61,000,000	61,000,000
Issued, subscribed and paid-up capital	61,000,000	61,000,000

Pursuant to the Share Purchase Agreement, the Trust holds 74%, and the Sponsor (jointly with its nominees) holds 26%, of the issued, subscribed and paid-up share capital of PKATL as on the date of this Final Offer Document.

3. ***POWERGRID Parli Transmission Limited ("PPTL")***

PPTL was incorporated on July 30, 2014 as 'Gadarwara (B) Transmission Limited' under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. A certificate of incorporation pursuant to change of name dated July 21, 2015 was issued by the Registrar of Companies, Delhi, recording the change of PPTL's name to 'POWERGRID Parli Transmission Limited'. The registered office of PPTL is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The CIN of PPTL is U40109DL2014GOI269652.

Capital structure of PPTL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	350,000,000	350,000,000

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Issued, subscribed and paid-up capital	322,100,000	322,100,000

Pursuant to the Share Purchase Agreement, the Trust holds 74%, and the Sponsor (jointly with its nominees) holds 26%, of the issued, subscribed and paid-up share capital of PPTL as on the date of this Final Offer Document.

4. ***POWERGRID Warora Transmission Limited ("PWTL")***

PWTL was incorporated on August 5, 2014 as 'Gadarwara (A) Transco Limited' under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of companies, Delhi. A certificate of incorporation pursuant to change of name dated July 21, 2015 was issued by the Registrar of Companies, Delhi, recording the change of PWTL's name to 'POWERGRID Warora Transmission Limited'. The registered office of PWTL is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The CIN of PWTL is U40300DL2014GOI269918.

Capital structure of PWTL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	425,000,000	425,000,000
Issued, subscribed and paid-up capital	393,300,000	393,300,000

Pursuant to the Share Purchase Agreement, the Trust holds 74%, and the Sponsor (jointly with its nominees) holds 26%, of the issued, subscribed and paid-up share capital of PWTL as on the date of this Final Offer Document.

5. ***POWERGRID Jabalpur Transmission Limited ("PJTL")***

PJTL was incorporated on August 14, 2014 as 'Vindhaychal Jabalpur Transmission Limited' under the Companies Act, 2013 pursuant to a certificate of incorporation issued by the Registrar of Companies, Delhi. A certificate of incorporation dated May 19, 2015 was issued by the Registrar of Companies, Delhi, recording the change of PJTL's name to 'POWERGRID Jabalpur Transmission Limited'. The registered office of PJTL is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The CIN of PJTL is U40300DL2014GOI270433.

Capital structure of PJTL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on March 31, 2021	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	300,000,000	300,000,000
Issued, subscribed and paid-up capital	226,910,000	226,910,000

Pursuant to the Share Purchase Agreement, the Trust holds 74%, and the Sponsor (jointly with its nominees) holds 26%, of the issued, subscribed and paid-up share capital of PJTL as on the date of this Final Offer Document.

PVTL, PKATL, PPTL, PWTL and PJTL are completed and revenue generating projects in terms of Regulation 18(5) of the InvIT Regulations. The Trustee confirms that adequate insurance for the Initial Portfolio Assets has been obtained. For further details in relation to the Initial Portfolio Assets, please see the section entitled "*Our Business*" on 131.

Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor

The Trust, acting through the Trustee, has acquired from the Sponsor, and the Sponsor has transferred to the Trust in exchange for Units, 74% of the equity shareholding of each of the Initial Portfolio Assets, pursuant to the Share Purchase Agreements, which has been transferred to the Trust prior to Allotment (the "**Transfer**"). The Transfer is as set out below:

Sr. No.	Name of the Initial Portfolio Asset	Pre-Offer shareholding of the Sponsor (jointly with its nominees) (%)	Post-Offer shareholding (%)	
			The Sponsor (jointly with its nominees)	The Trust

1.	PVTL	100.00%	26.00%	74.00%
2.	PKATL	100.00%	26.00%	74.00%
3.	PPTL	100.00%	26.00%	74.00%
4.	PWTL	100.00%	26.00%	74.00%
5.	PJTL	100.00%	26.00%	74.00%

For further details, including in relation to the key terms of the Share Purchase Agreements, please see the section entitled "*Related Party Transactions*" on page 197.

Accordingly, the Sponsor has been allotted 410,650,900 Units on May 6, 2021, pursuant to the acquisition of the Initial Portfolio Assets by the Trust, as determined in accordance with the Share Purchase Agreements. The aggregate unitholding of the Sponsor (post the Offer for Sale) amounts to at least 15% of the post-Offer Units, subject to the conditions specified in the InvIT Regulations.

Utilisation of Offer Proceeds

Further, upon the listing of the Units, the Trust shall utilize the Offer Proceeds for (i) providing the Facilities, and (ii) general expenses for the operation of the Trust. The Facility Agreements have been entered into in this regard. For further details, please see the section entitled "*Use of Proceeds*" on page 164.

The key terms of the Facility Agreements include:

Interest: The loan shall carry an interest rate of 14.5% (fourteen and a half per cent) per annum, which may be reset on each interest payment date occurring after the first interest payment date i.e. the last business day of each interest period.

Repayment: The relevant Initial Portfolio Asset shall repay the principal amount of the loan to the Trustee (in its capacity as the trustee to the Trust) or the Investment Manager through a single bullet payment upon expiry of the TSA. The relevant Initial Portfolio Asset shall pay the interest due on a quarterly basis on the last business day of each interest period, which dates may be reset on mutually agreeable terms.

All payments under the Facility Agreements shall be subordinate to any secured or unsecured loan obligations incurred by the relevant Initial Portfolio Asset from any bank, non-banking financial company or financial institution, which is neither an affiliate of the Trust or the Sponsor.

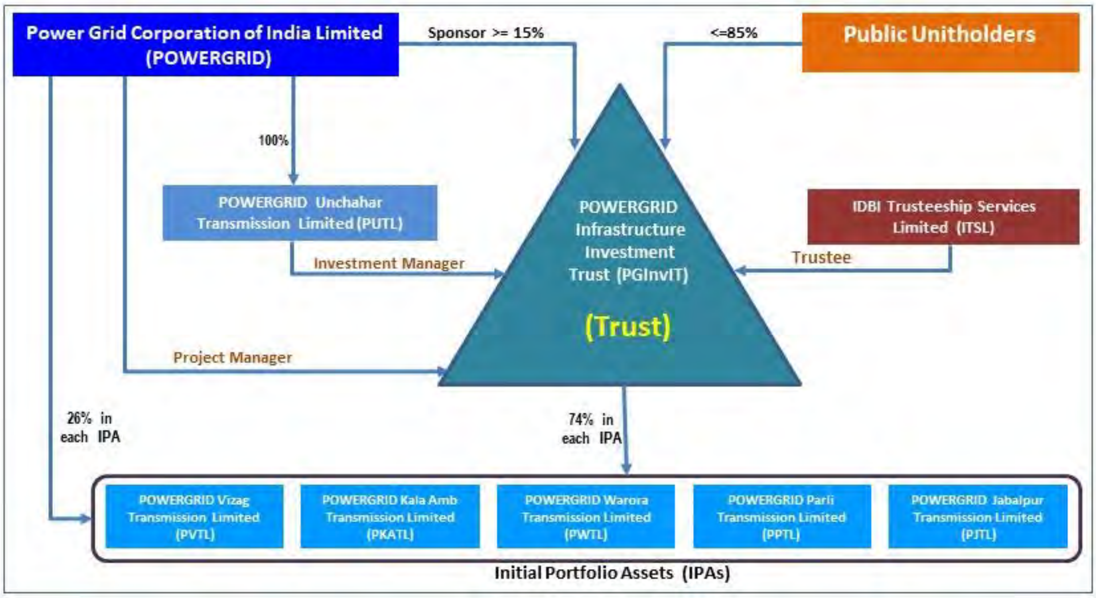
Premature repayment: The relevant Initial Portfolio Asset shall, with a prior notice to the Trustee, be entitled to prepay all or any portion of the outstanding principal amounts of such loan, without any prepayment penalty or premium.

Term: The loan agreement shall remain in force until all monies payable by the relevant Initial Portfolio Asset to the Trustee under the loan agreement are paid in full and all obligations of the Initial Portfolio Asset are discharged to the satisfaction of the Trustee.

Proposed post-listing structure

For details of the pre-Offer and post-Offer unitholding structure of the Trust, please see the section entitled *"Information Concerning the Units*" on page 163.

The following structure illustrates the relationship between the Trust, the Trustee, the Sponsor, the Investment Manager, the Project Manager and the Unitholders as at the Listing Date:


Power Grid Corporation of India Limited (POWERGRID)
Sponsor >= 15%
<=85%
Public Unitholders
100%
POWERGRID Unchahar Transmission Limited (PUTL)
Investment Manager
POWERGRID Infrastructure Investment Trust (PGInvIT)
(Trust)
IDBI Trusteeship Services Limited (ITSL)
Trustee
Project Manager
26% in each IPA
74% in each IPA
POWERGRID Vizag Transmission Limited (PVTL)
POWERGRID Kala Amb Transmission Limited (PKATL)
POWERGRID Warora Transmission Limited (PWTL)
POWERGRID Parli Transmission Limited (PPTL)
POWERGRID Jabalpur Transmission Limited (PJTL)
Initial Portfolio Assets (IPAs)

SUMMARY COMBINED FINANCIAL INFORMATION

The following tables set forth the summary combined financial information derived from the Combined Financial Statements.

The Combined Financial Statements referred to above are presented under the section entitled "*Combined Financial Statements*" *on page 287. The summary combined financial information presented below should be read in conjunction with these financial statements, the notes thereto and the sections entitled "Combined Financial Statements" and "Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows" on pages 287 and 169, respectively.*

(*The remainder of this page has intentionally been left blank*)

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Balance Sheet

(₹ in million)

Particulars	Note No	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
ASSETS					
Non-current assets					
Property, Plant and Equipment	4	61,993.50	63,218.87	66,153.31	17,786.63
Capital work-in-progress	5	22.38	-	86.57	45,292.66
Other Intangible assets	6	1,116.68	1,155.20	884.90	4.01
Intangible assets under development	7	-	-	-	187.17
Deferred tax Assets(Net)	8	-	-	-	192.88
Other non-current assets	9	619.94	41.24	54.72	411.55
		63,752.50	**64,415.31**	**67,179.50**	**63,874.90**
Current assets					
Inventories	10	310.18	310.18	209.83	108.94
Financial Assets					
Trade receivables	11	1,881.07	1,737.21	1,189.27	506.72
Cash and cash equivalents	12	540.73	399.28	27.38	170.18
Other current financial assets	13	1,404.82	1,259.52	1,305.80	338.62
Current Tax Assets (Net)	14	-	56.81	56.98	49.44
Other current assets	15	295.69	33.85	33.86	0.01
		4,432.49	**3,796.85**	**2,823.12**	**1,173.91**
Total Assets		**68,184.99**	**68,212.16**	**70,002.62**	**65,048.81**
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	16	12,130.40	12,006.80	9,986.80	4,422.80
Other Equity	17	2,750.93	3,330.22	2,196.14	712.13
		14,881.33	**15,337.02**	**12,182.94**	**5,134.93**
Liabilities					
Non-current liabilities					
Financial Liabilities					
Borrowings	18	47,507.34	44,293.16	53,368.63	52,367.31
Deferred tax liabilities(Net)	19	2,677.25	287.08	52.90	-
		50,184.59	**44,580.24**	**53,421.53**	**52,367.31**
Current liabilities					
Financial Liabilities					
Trade payables	20				
(A) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		87.21	8.83	3.85	0.75
Other current financial liabilities	21	2,997.94	8,268.44	4,305.10	7,387.57
Other current liabilities	22	31.18	15.42	52.84	157.47
Provisions	23	0.36	0.79	5.51	0.13
Current Tax Liabilities (Net)	24	2.38	1.42	30.85	0.65
		3,119.07	**8,294.90**	**4,398.15**	**7,546.57**
Total Equity and Liabilities		**68,184.99**	**68,212.16**	**70,002.62**	**65,048.81**

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue From Operations	25	9,922.84	13,242.87	9,771.56	3,435.69
Other Income	26	167.97	98.07	69.64	20.30
Total Income		**10,090.81**	**13,340.94**	**9,841.20**	**3,455.99**
EXPENSES					
Finance costs	27	2,910.00	4,290.73	3,281.45	1,157.83
Depreciation and amortization expense	28	1,392.36	3,794.33	2,749.63	932.16
Other expenses	29	311.92	381.64	329.76	80.75
Total expenses		**4,614.28**	**8,466.70**	**6,360.84**	**2,170.74**
Profit Before Tax		**5,476.53**	**4,874.24**	**3,480.36**	**1,285.25**
Tax expense:					
Current tax - Current Year		276.14	851.78	753.96	274.29
- Earlier Years		(561.20)	-	-	0.11
Deferred tax		2,390.17	234.21	245.77	(130.49)
		2,105.11	1,085.99	999.73	143.91
Profit for the period		**3,371.42**	**3,788.25**	**2,480.63**	**1,141.34**
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the period		**3,371.42**	**3,788.25**	**2,480.63**	**1,141.34**
Earnings per Unit (Par value ₹ 10/- each): Basic & Diluted (₹) (refer note 42)					

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Statement of Changes in Equity

A. Equity Share Capital

(₹ in million)

As at 1st April, 2020	12,006.80
Changes during the year	123.60
As at 31st December, 2020	12,130.40
As at 1st April, 2019	9,986.80
Changes during the year	2,020.00
As at 31st March, 2020	12,006.80
As at 1st April, 2018	4,422.80
Changes during the year	5,564.00
As at 31st March, 2019	9,986.80
As at 1st April, 2017	2,361.30
Changes during the year	2,061.50
As at 31st March, 2018	4,422.80

B. Other Equity

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2020	**580.00**	**195.36**	**2,554.86**	**3,330.22**
Profit for the year			3,371.42	3,371.42
Other Comprehensive Income			-	-
Total Comprehensive Income			**3,371.42**	**3,371.42**
Adjustments during the year				
Transfer to Self Insurance Reserve		(195.36)	195.36	-
Final Dividend F.Y. 2019-20			(2,464.51)	(2,464.51)
Interim Dividend F.Y. 2020-21			(1,486.20)	(1,486.20)
Balance at 31st December, 2020	**580.00**	**(0.00)**	**2,170.93**	**2,750.93**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2019	**580.00**	**110.17**	**1,505.97**	**2,196.14**
Profit for the year			3,788.25	3,788.25
Other Comprehensive Income			-	-
Total Comprehensive Income			**3,788.25**	**3,788.25**
Adjustments during the year				
Transfer to Self Insurance Reserve		85.19	(85.19)	-
Final Dividend F.Y. 2018-19			(504.78)	(504.78)
Tax on Final Dividend F.Y. 2018-19			(103.76)	(103.76)
Interim Dividend F.Y. 2019-20			(1,696.84)	(1,696.84)
Tax on Interim dividend F.Y. 2019-20			(348.79)	(348.79)
Balance at 31st March, 2020	**580.00**	**195.36**	**2,554.86**	**3,330.22**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2018	**290.00**	**24.85**	**397.28**	**712.13**
Profit for the year			2,480.63	2,480.63
Other Comprehensive Income			-	-
Total Comprehensive Income			**2,480.63**	**2,480.63**
Adjustments during the year				
Transfer to Bond redemption reserve	290.00		(290.00)	-
Transfer to Self Insurance Reserve		85.32	(85.32)	-
Final Dividend F.Y. 2017-18			(121.46)	(121.46)
Tax on Final Dividend F.Y. 2017-18			(24.97)	(24.97)
Interim Dividend F.Y. 2018-19			(705.23)	(705.23)
Tax on Interim dividend F.Y. 2018-19			(144.96)	(144.96)
Balance at 31st March, 2019	**580.00**	**110.17**	**1,505.97**	**2,196.14**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2017	**7.43**	**1.94**	**(186.15)**	**(176.78)**
Profit for the year			1,141.34	1,141.34
Other Comprehensive Income			-	-
Total Comprehensive Income			**1,141.34**	**1,141.34**
Adjustments during the year				
Transfer to Bond redemption reserve	282.57		(282.57)	-
Transfer to Self Insurance Reserve		22.91	(22.91)	-
Interim Dividend F.Y. 2017-18			(209.73)	(209.73)
Tax on Interim dividend F.Y. 2017-18			(42.70)	(42.70)
Balance at 31st March, 2018	**290.00**	**24.85**	**397.28**	**712.13**

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Consolidated Statement of Cash Flows

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	**5,476.53**	**4,874.24**	**3,480.36**	**1,285.25**
Adjustment for :				
Depreciation & amortization expenses	1,392.36	3,794.33	2,749.63	932.16
Finance Costs	2,910.00	4,290.73	3,281.45	1,157.83
Interest income from Bank	(5.88)	(1.05)	-	-
	4,296.48	**8,084.01**	**6,031.08**	**2,089.99**
Operating profit before Changes in Assets and Liabilities	**9,773.01**	**12,958.25**	**9,511.44**	**3,375.24**
Adjustment for Changes in Assets and Liabilities:				
(Increase)/Decrease in Inventories	-	(2.61)	(100.88)	-
(Increase)/Decrease in Trade Receivables	(143.85)	(466.90)	(655.41)	(0.09)
(Increase)/Decrease in Other Financial Assets	-	(36.80)	(81.18)	-
(Increase)/Decrease in Other Non-current Assets	0.06	(0.80)	(0.45)	6.74
(Increase)/Decrease in Other Current Assets	(261.85)	(224.75)	(513.20)	(340.48)
(Increase)/Decrease in Other current financial assets	(145.61)	129.35	(470.88)	(310.82)
Increase/(Decrease) in Trade payables	78.38	5.15	2.93	(0.45)
Increase/(Decrease) in Other Non-current Financial Liability	-	-	-	(243.43)
Increase/(Decrease) in Other Non-current Liability	-	-	-	(105.31)
Increase/(Decrease) in Other current financial liabilities	(74.12)	(928.37)	(3,429.80)	2,354.83
Increase/(Decrease) in Other current liabilities	15.76	(37.06)	(104.62)	(738.38)
Increase/(Decrease) in Short Term Provisions	(0.43)	(5.19)	5.38	0.03
	(531.66)	**(1,567.98)**	**(5,348.11)**	**622.64**
Cash generated from operations	**9,241.35**	**11,390.27**	**4,163.33**	**3,997.88**
Direct taxes paid	(235.94)	(868.80)	(738.36)	(266.06)
Net Cash from Operating Activities	**9,005.41**	**10,521.47**	**3,424.97**	**3,731.82**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(150.97)	(1,073.22)	(6,428.12)	(32,739.43)
Interest income from Bank	6.19	0.74	-	-
Net Cash used in Investing Activities	**(144.78)**	**(1,072.48)**	**(6,428.12)**	**(32,739.43)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	3,342.80	124.00	4,741.93	28,473.32
Repayment of Borrowings	(5,116.14)	(4,124.45)	(2,440.61)	(404.14)
Equity share capital raised during the year	123.60	2,020.00	5,564.00	2,061.50
Finance Costs paid	(3,118.73)	(4,442.47)	(4,008.35)	(737.16)
Dividend paid	(3,950.71)	(2,201.62)	(826.69)	(209.73)
Dividend Tax paid	-	(452.55)	(169.93)	(42.70)
Net Cash (used in)/from Financing Activities	**(8,719.18)**	**(9,077.09)**	**2,860.35**	**29,141.09**
D. Net change in Cash and Cash equivalents (A+B+C)	141.45	371.90	(142.80)	133.48
E. Cash and Cash equivalents (Opening balance)	399.28	27.38	170.18	36.70
F. Cash and Cash equivalents (Closing balance) (Refer Note No 12)	**540.73**	**399.28**	**27.38**	**170.18**

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited (as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SUMMARY FINANCIAL INFORMATION OF THE SPONSOR

(*The remainder of this page has intentionally been kept blank*)

Power Grid Corporation of India Limited

Summary Consolidated Balance sheet

(₹ in million)

Particulars	**As at 31st March, 2020**	**As at 31st March, 2019**	**As at 31st March, 2018***
ASSETS			
Non-current assets			
Property, Plant and Equipment	1794498.2	1710579.9	1548313.8
Capital work-in-progress	349044.1	373884.7	376039.0
Investment Property	0.3	0.3	0.3
Other Intangible assets	16622.8	16816.0	13668.6
Intangible assets under development	2730.0	2425.9	646.7
Investments in Joint Ventures accounted for using the equity method	13321.8	11665.8	10951.9
Financial Assets			
Investments	989.0	1298.4	1287.8
Loans	2715.8	1881.3	1399.9
Other non-current financial assets	41003.0	45483.7	8663.5
Other non-current assets	63257.3	52088.3	57476.8
	2284182.3	**2216124.3**	**2018448.3**
Current assets			
Inventories	14334.6	12472.5	10493.5
Financial Assets			
Investments	0.0	0.0	0.0
Trade receivables	50407.1	47281.0	36400.2
Cash and cash equivalents	48401.2	36477.3	15348.0
Bank balances other than Cash and cash equivalents	5988.5	6889.2	6542.2
Loans	1523.7	1309.9	468.8
Other current financial assets	58184.0	68810.4	47372.3
Other current assets	2280.2	3378.6	5045.0
	181119.3	**176618.9**	**121670.0**
Regulatory Deferral Account Balances	101230.6	80832.7	113042.2
Total Assets	**2566532.2**	**2473575.9**	**2253160.5**
EQUITY AND LIABILITIES			
Equity			
Equity Share capital	52315.9	52315.9	52315.9
Other Equity	594637.6	538568.0	491944.0
	646953.5	**590883.9**	**544259.9**
Liabilities			
Non-current liabilities			
Financial Liabilities			
Borrowings	1354211.1	1313295.1	1227103.2
Other non-current financial liabilities	35231.3	39945.3	4596.0
Provisions	4247.1	3681.5	7168.7
Deferred tax liabilities(Net)	112287.8	100184.8	134728.5
Other non-current liabilities	3625.4	4865.7	4571.6
	1509602.7	**1461972.4**	**1378168.0**
Current liabilities			
Financial Liabilities			
Borrowings	30000.0	43000.0	10000.0
Trade payables			
(A) total outstanding dues of micro enterprises and small enterprises	115.9	332.7	23.3
(B) total outstanding dues of creditors other than micro enterprises and small enterprises	2149.5	3318.6	2381.1
Other current financial liabilities	217841.5	233596.8	226800.0
Other current liabilities	43059.3	38889.8	27185.5
Provisions	7420.4	7011.4	10596.0
Current Tax Liabilities (Net)	229.2		4072.6
	300815.8	**326149.3**	**281058.5**
Deferred Revenue	109160.2	94570.3	49674.1
Total Equity and Liabilities	**2566532.2**	**2473575.9**	**2253160.5**

Power Grid Corporation of India Limited

Summary Consolidated Statement of Profit and Loss (₹ in million)

Particulars	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue From Operations	377435.4	350591.2	299536.2
Other Income	9274.2	6022	4769.2
Total Income	**386709.6**	**356613.2**	**304305.4**
EXPENSES			
Employee benefits expense	19597.5	17835.7	15990.9
Finance costs	95090.0	87365.7	73241.4
Depreciation and amortization expense	116070.4	105409.5	92309.9
Other expenses	28435.5	30550.1	22377
Total expenses	**259193.4**	**241161.0**	**203919.2**
Profit before share of net profits of investments in Joint Ventures accounted for using Equity Method and tax	127516.2	115452.2	100386.2
Share of net profits of investments in Joint Ventures accounted for using Equity Method	1551.3	1288.2	1479.4
Profit Before Tax and Regulatory Deferral Account Balances	**129067.5**	**116740.4**	**101865.6**
Tax expense:			
Current tax - Current Year	21985.4	25680.2	21826.4
- Earlier Years	1219.1	0.0	153.4
Deferred tax	12103.0	-34543.7	30687.7
	35307.5	-8863.5	52667.5
Profit for the period before Regulatory Deferral Account Balances	**93760.0**	**125603.9**	**49198.1**
Net movement in Regulatory Deferral Account Balances-Income/(Expenses) (net of tax)	16834.0	-25268.7	32841.9
Profit for the period	**110594.0**	**100335.2**	**82040.0**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss (net of tax)	-1040.2	-163.0	80.3
Share of other comprehensive income of Joint Ventures accounted for using Equity Method	0.0	-0.4	-1
Total Comprehensive Income for the period	**109553.8**	**100171.8**	**82119.3**
Earnings per equity share including movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):			
Basic & Diluted (₹)	21.1	19.2	15.68
Earnings per equity share excluding movement in Regulatory Deferral Account Balances (Par value ₹ 10/- each):	0.0		
Basic & Diluted (₹)	17.9	24.0	9.4

Power Grid Corporation of India Limited

Summary Consolidated Cash Flow Statements

(₹ in million)

Particulars	For the year ended		
	31st March, 2020	**31st March, 2019**	**31st March, 2018**
A. CASH FLOW FROM OPERATING ACTIVITIES			
Profit Before Tax and Regulatory Deferral Account Balances	**129067.5**	**116740.4**	**101865.6**
Add: Net movement in Regulatory Deferral Account Balances (net of tax)	16834.0	-25268.7	32841.9
Add: Tax on Net movement in Regulatory Deferral Account Balances	3563.9	-6940.8	442.3
Net Profit Before Tax (including Net movement in regulatory deferral account balances)	**149465.4**	**84530.9**	**135149.8**
Adjustment for :			
Depreciation & amortization expenses	116070.4	105409.5	92309.9
Transfer from Grants in Aid	-2602.5	-707.7	-121.3
Deferred revenue - Advance against Depreciation	-1526.5	-1806.4	-1207.2
Provisions	63.4	4105.8	505.9
Changes in fair value of financial assets through profit or loss	-398.9	-80.2	-64.2
Net Loss on Disposal / Write off of Property, Plant & Equipment	172.0	255.8	103.0
Deferred Foreign Currency Fluctuation Asset	-15727.4	-9410.6	2407.5
Deferred Income from Foreign Currency Fluctuation	16379.5	10565.0	-2035.0
Regulatory Deferral Account Debit Balances	-20397.9	32209.5	-33284.2
Finance Costs	95090.0	87365.7	73241.4
Provisions Written Back	-1475.6	-282.5	-83.6
FERV loss / (gain)	-3.1	-1.6	-3.3
Interest income on Deposits, Bonds and loans to JVs	-1683.3	-866.2	-989.7
Dividend income	-53.5	-54.2	-55.8
	183906.6	**226701.9**	**130723.4**
Operating profit before Changes in Assets and Liabilities	**333372.0**	**311232.8**	**265873.2**
Adjustment for Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventories	-1813.6	-1823.0	-1634.6
(Increase)/Decrease in Trade Receivables	-2909.5	-13792.9	-5238.3
(Increase)/Decrease in Other Financial Assets	16501.0	-60196.1	-21513.4
(Increase)/Decrease in Other Non-current Assets	-554.1	-872.1	579.5
(Increase)/Decrease in Other Current Assets	1098.4	1666.4	-1964.7
Increase/(Decrease) in Liabilities & Provisions	-8209.7	20399.1	13590.1
	4112.5	**-54618.6**	**-16181.4**
Cash generated from operations	**337484.5**	**256614.2**	**249691.8**
Direct taxes paid	-25687.1	-22807.5	-22590.6
Net Cash from Operating Activities	**311797.4**	**233806.7**	**227101.2**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	-113671.2	-224506.6	-261798.6
Receipt of Grant	2339.4	36845.3	4213.9
(Increase)/Decrease in Investments	-184.0	-152.1	-251.2
(Increase)/Decrease in Assets held for Sale	-	-	-
(Increase)/Decrease in Investments accounted for using the equity method	-1700.2	-791.7	-744.3
Loans & Advances to JVs (including repayments)	-124.0	-771.2	-60.0
Lease receivables	-138.2	102.1	598.2
Interest received on Deposits, Bonds & loans to JVs	1609.6	850.4	971.7
Dividend received	53.5	54.2	55.8
Net Cash used in Investing Activities	**-111815.1**	**-188369.6**	**-257014.5**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from Borrowings			
Non Current	1,03,259.6	1,94,895.8	1,87,067.9
Current	1,80,200.0	1,74,200.0	66,750.0
Repayment of Borrowings			
Non Current	-1,07,656.4	-94,956.0	-62,366.7
Current	-1,93,200.0	-1,41,200.0	-71,750.0
Adjustment for Fair Valuation of Long Term Loans	128.0	229.6	223.1
Repayment of Lease Liabilities	-48.2	0.0	0.0
Finance Costs paid	-117301.4	-1,02,923.5	-70,479.7
Dividend paid	-44259.2	-45,148.7	-30,343.3
Dividend Tax paid	-9180.8	-9,405.0	-6,254.5
Net Cash (used in)/from Financing Activities	**-1,88,058.4**	**-24,307.8**	**12,846.8**
D. Net change in Cash and Cash equivalents (A+B+C)	11,923.9	21,129.3	-17,066.5
E. Cash and Cash equivalents (Opening balance)	36,477.3	15,348.0	32,414.5
F. Cash and Cash equivalents (Closing balance)	**48,401.2**	**36,477.3**	**15,348.0**

SUMMARY FINANCIAL INFORMATION OF THE INVESTMENT MANAGER

(*The remainder of this page has intentionally been kept blank*)

POWERGRID UNCHAHAR TRANSMISSION LIMITED

Summary Balance Sheet

(₹ in millions)

Particulars	As at 31st March 2020	As at 31st March 2019	As at 31st March 2018
ASSETS			
NON-CURRENT ASSETS			
Property, Plant And Equipment	594.55	633.06	671.51
Intangible Assets	0.70	0.00	0.00
Deferred tax Asset (Net)	0.00	13.29	30.84
Other Non-Current Assets	2.02	0.79	5.80
	597.27	**647.14**	**708.15**
CURRENT ASSETS			
Financial Assets			
Trade Receivables	29.16	30.46	13.70
Cash And Cash Equivalents	3.98	2.48	12.99
Other Current Financial Assets	27.84	29.84	21.83
	60.98	**62.78**	**48.52**
TOTAL ASSETS	**658.25**	**709.92**	**756.67**
EQUITY AND LIABILITIES			
EQUITY			
Equity Share Capital	129.61	129.61	129.61
Other Equity	114.84	116.10	66.48
	244.45	**245.71**	**196.09**
NON-CURRENT LIABILITIES			
Financial Liabilities			
Borrowings	363.19	423.20	484.99
Deferred Tax Liabilities (Net)	2.60	0.00	0.00
	365.79	**423.20**	**484.99**
CURRENT LIABILITIES			
Financial Liabilities			
Trade Payables			
(i) Total outstanding dues of Micro Enterprises & Small Enterprises	0.00	0.00	0.00
(ii) Total outstanding dues of creditors other than Micro Enterprises & Small Enterprises	7.32	1.01	0.05
Other Current Financial Liability	40.00	40.00	74.21
Other Current Liabilities	0.69	0.00	0.01
Current Tax Liabilities (Net)	0.00	0.00	1.32
	48.01	**41.01**	**75.59**
TOTAL EQUITY AND LIABILITIES	**658.25**	**709.92**	**756.67**

POWERGRID UNCHAHAR TRANSMISSION LIMITED

Summary Statement of Profit and Loss

(₹ in millions)

	Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019	For the Year ended 31 March 2018
	Income			
I	Revenue from operations	219.09	233.02	163.40
II	Other income	1.88	1.68	-
III	**Total Income (I+II)**	**220.97**	**234.70**	**163.40**
IV	**Expenses**			
	Employee benefits expense	2.81	-	-
	Finance costs	36.20	43.00	44.71
	Depreciation and amortization expenses	38.66	38.51	38.58
	Other expenses	7.24	5.71	4.85
	Total Expenses (IV)	**84.91**	**87.22**	**88.14**
V	**Profit before Tax (III-IV)**	**136.06**	**147.48**	**75.26**
VI	**Tax Expense**			
	Current tax	23.77	31.88	15.34
	Deferred Tax	15.89	17.55	(30.56)
	Total Tax Expense (VI)	**39.66**	**49.43**	**(15.22)**
VII	**Profit for the period (V-VI)**	**96.40**	**98.05**	**90.48**
VIII	**Other comprehensive income**	**-**	**-**	**-**
IX	**Total comprehensive income for the period (VII+VIII)**	**96.40**	**98.05**	**90.48**
X	Earning Per Equity Share (Par Value ₹ 10/- each)			
	Basic (in ₹)	7.44	7.57	6.98
	Diluted (in ₹)	7.44	7.57	6.98

POWERGRID UNCHAHAR TRANSMISSION LIMITED

Summary Cash Flows Statements

(₹ in millions)

Particulars	For the Year ended 31 March 2020	For the Year ended 31 March 2019	For the Year ended 31 March 2018
A. Cash Flow from Operating Activities:			
Net profit before Tax	136.06	147.48	75.26
Add: Depreciation	38.66	38.51	38.58
Add: interest expense	36.20	43.00	44.71
Opertating Profit before Working Capital Changes	**210.92**	**228.99**	**158.55**
Adjsutments for Increase/Decrease in:			
(Increase)/Decrease in Trade Receivables	1.31	(16.75)	(13.71)
(Increase)/Decrease in Other Current Assets	2.00	(8.01)	(9.12)
(Increase)/Decrease in other non Current Assets	-	(0.09)	-
Increase/(Decrease) in Trade Payables	6.31	0.96	0.05
Increase/(Decrease) in Other Current Liabilities	0.69	(0.01)	0.62
Cash Generated from Operations	**221.23**	**205.09**	**136.39**
-Tax Paid	**(25.00)**	**(33.90)**	**(15.34)**
-Tax Refund Received	-	5.80	
Net Cash (used in)/from Operating Activities	**196.23**	**176.99**	**121.05**
B. Cash Flow from investing Activities:			
Property, Plant & Equipments and CWIP	(0.86)	(0.06)	(97.99)
Net Cash (used in)/from Investing Activities	**(0.86)**	**(0.06)**	**(97.99)**
C. Cash Flow from Financing Activities:			
Proceeds from Loans/Borrowings	-	-	14.84
Repayment of Loans/Borrowings	(60.01)	(96.00)	-
Interest paid during the year	(36.20)	(43.00)	(73.14)
Final Dividend paid	(25.92)	(20.74)	-
Tax on Final Dividend	(5.33)	(4.26)	-
Interim Dividend Paid	(55.09)	(19.44)	(19.44)
Cash Flow (used in)/from Financing Activities:	**(193.87)**	**(187.44)**	**(81.70)**
D. Net change in Cash and Cash equivalents(A+B+C)	**1.50**	**(10.51)**	**(58.64)**
E. Cash and Cash equivalents(opening balance)	2.48	12.99	71.63
F. Cash and Cash equivalents(closing balance)(Note no 9)	**3.98**	**2.48**	**12.99**

SUMMARY OF INDUSTRY

THE INDIAN POWER SECTOR

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends (Source: National Electricity Policy, Ministry of Power, 2005). Power Sector is a strategic and critical sector and power supply system supports the entire economy and day to day life of the citizens of India (Source: Order of the Ministry of Power, Government of India, dated July 2, 2020).

Whilst India is the third largest producer of electricity in the world, in 2014, the share of electricity in India's final energy demand was only 17% compared with 23% in the member countries of Organization for Economic Cooperation and Development (OECD) and ranks well below the global average in electricity consumption (Source: Draft National Energy Policy, NITI Aayog, 2017 (the "**Draft NEP**")). The Draft NEP envisages the share of electricity in India's total energy consumption to rise to about 26% in 2040.

India has a very dynamic and diversified power sector, characterized by the presence of varied power generation sources including conventional sources as well as renewable energy sources, a synchronously operating national grid comprising inter-regional, regional and state grids and a distribution sector providing electricity to end consumers. The development of adequate electricity infrastructure is essential for sustained growth of economy as well as for energy security.

The three segments of power supply delivery chain are generation, transmission and distribution. Generation is distributed across Central (comprising approximately 25% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020), State (comprising approximately 28% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020) and private sector (comprising approximately 47% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020) entities (Source: All India Installed Capacity Report published by the CEA in March 2020). The transmission sector is divided into inter-state and intra-state transmission projects, in addition to some dedicated transmission projects, and is owned by across Central, State and private sector entities. In addition, transmission network also includes cross-border interconnections with neighboring countries viz, Bangladesh, Bhutan, Nepal and Myanmar to facilitate optimal utilization of resources (Source: Ministry of Power Annual Report 2019 - 2020). The distribution sector is largely owned by States with participation from private sector in some areas. The overall grid management is carried out by different agencies including POSOCO (through NLDC at the Central level and RLDCs at the regional level) and states through their SLDCs in a coordinated manner. The CERC is the regulator at the Central level while SERCs and Joint Electricity Regulatory Commissions regulate the sector at the States and Union Territories level.

Power Demand & Supply

Peak power and energy deficits have considerably reduced over the years. For the year ended 2019-20, peak power and energy deficits were 0.70% and 0.50%, respectively, substantially lower than 10.60% and 8.50%, respectively, recorded for the year ended 2012 (Source: Power Supply Position Reports published by the CEA for March 2020 and March 2012). The shortages in energy and peak power have been reduced primarily due to addition in generation capacity, expansion of transmission systems and accomplishment of 'One Nation - One Grid - One Frequency' which has led to the creation of a vibrant electricity power market in India.

However, despite reduction in peak power and energy deficits over the years, many parts of the country continue to face power shortages due to inadequate growth of transmission and distribution infrastructure in the States and poor financial health of the State power utilities. For the distribution sector Government of India has undertaken a number of policy and reform based initiatives like Pradhan Mantri Sahaj Bijli Har Ghar Yojana ("**SAUBHAGYA**"), Affordable 24x7 Power for All, Integrated Power Development Scheme ("**IPDS**"), Ujwal DISCOM Assurance Yojana Scheme ("**UDAY**"), Unnat Jyoti by Affordable LEDs for All ("**UJALA**") and the recently introduced initiatives as part of Aatmanirbhar Bharat Abhiyan.

While, the per capita electricity consumption in India has increased by about 20% from 1,010 kWh in Financial Year 2015 to 1,208 kWh in Financial Year 2020 (Source: CEA Executive Summary on Power Sector, May 2020 (Provisional)), it continues to be significantly lower than the world average per capita consumption, which was more than 3,200 kWh as on March 31, 2018 (Source: National Infrastructure Pipeline: Volume II, Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India ("**NIP**")).

The Transmission Sector in India

In India, the transmission system is a two-tier structure comprising intra-state grids and inter-state transmission system ("**ISTS**") grids, in addition to a few dedicated transmission lines. Power Grid Corporation of India Limited ("**POWERGRID**") is the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres. As of August 31, 2020, POWERGRID's share in India's cumulative inter-regional power transfer capacity is more than 85% (Source:

CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID).

The Indian power system is divided into five regions namely the northern, eastern, western, southern and north-eastern regions. Regional or inter-state grids facilitate the transfer of power across the states within and outside the region. Presently, all the five regional grids viz. northern, eastern, western, southern and north-eastern regions are operating in one synchronous mode with total installed capacity of approximately 370 GW as on March 31, 2020 (Source: All India Installed Capacity Report published by the CEA in March 2020).

The Indian power transmission system has come a long way from the time of independence, when transmission power systems in India were isolated systems developed in and around urban and industrial areas and the State electricity boards ("**SEBs**") were responsible for development of generation, transmission, distribution and utilization of electricity in their respective states. In the eighties, the process of setting up the national grid was initiated with the formation of POWERGRID. POWERGRID was *inter alia* made responsible for planning and co-ordination relating to ISTS with the Central Government, CEA, regional power committees, STUs and transmission licensees, including inter-regional links. Development of a national grid started with the establishment of limited capacity asynchronous links between the regions for transfer of operational surplus power from one region to other. With the establishment of large capacity pit head power plants having beneficiaries in other regions, AC and HVDC bi-pole links were implemented between regions. In order to facilitate optimal utilization of unevenly distributed natural energy resources, the focus of planning the generation and the transmission system in the country shifted from regional self-sufficiency to national level. High capacity corridors, comprising 765 kV D/C and ±800 kV, 6000 MW HVDC inter-regional links have been implemented for transfer of power from generating stations located in resource rich areas to the load centres.

With the thrust on harnessing energy from RE sources, integration of RE resources with the grid is India's top priority for both energy security and carbon emission reduction. The Government is taking various initiatives towards achievement of its set targets. The Green Energy Corridors ("**GEC**") scheme comprising transmission strengthening both at inter-state and intra-state levels and establishment of RE management centres is a major initiative in this direction. POWERGRID has completed the ISTS portion of the GEC Scheme (Source: CEA).

A number of smart grid technologies like Optical Fibre based communication systems, FACTS, STATCOMs, Wide Area Measurement System too have been put into operation for improving the reliability and stability of the grid. The evolution of the national grid operating at a single frequency has facilitated the development of a vibrant electricity market in the country, enabling access to affordable power.

Various electrical interconnections with neighbouring countries like Nepal, Bhutan, Bangladesh and Myanmar exist, which are being further strengthened for increased mutual exchange of power.

Indian Transmission Sector Outlook

NIP has estimated a cumulative capital expenditure of approximately ₹ 21 lakh crore in the area of power and renewable energy, accounting for more than 20% of the total pipeline. NIP has set a 'Vision 2025' for the power sector, salient features of which include:

- 24 x 7 clean and affordable power for all;
- total capacity: 583 GW (share: thermal - 50%; renewable - 39%);
- reduction in share of thermal capacity and increase in share of RE capacity;
- RE share in consumption to increase to approximately 20%;
- growth in per capita consumption to 1,616 units;
- promotion of grid storage and offshore wind energy;
- reforms in distribution in the areas of open access, cost reflective tariffs, smart metering, use of digital platforms; and
- EV charging infrastructure.

(Source: NIP)

Growing power demand as a result of the Government's focus on improving the distribution sector: the last mile in power sector, addition of RE capacity, addition of capacities in conventional generation sources, cross-border linkages and adoption of new technologies to address challenges linked to RE integration, are likely to be the growth drivers for power transmission in India.

As per NIP, an estimated total capital expenditure of ₹ 3,040,500 million would be incurred on electricity transmission projects over financial years 2020 to 2025.

TARIFF BASED COMPETITIVE BIDDING ("TBCB")

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 public sector undertakings ("**PSU**") borrowings were unable to fund this growing need. Keeping this in mind, the Electricity Act permitted competition in the power sector, including in the power transmission sector. Promotion of competition in the electricity industry in India is one of the key objectives of the Electricity Act, 2003. As per the provisions under Section 63 of the Electricity Act, 2003 and the Tariff Policy dated 6th January, 2006, Ministry of Power issued "Guidelines for Encouraging Competition in Development of Transmission Projects" and Tariff Based Competitive Bidding Guidelines for Transmission Services" (the "**Guidelines**"). These Guidelines laid down a transparent procedure for facilitating competition in the transmission sector through wide participation in providing transmission services and tariff determination through a process of tariff based competitive bidding.

As envisaged in the Guidelines, Ministry of Power has constituted a committee (National Committee on Transmission) to identify inter-state transmission projects to be developed through competitive bidding and to oversee the process of competitive bidding. Ministry of Power has also issued standard bidding documents, such as request for qualification ("**RFQ**"), request for proposal ("**RFP**"), transmission service agreements and share purchase agreements, and also appointed PFC Consulting Limited and REC Transmission Projects Company Limited as the bid process coordinators (each, a "**BPC**") for carrying out the bidding process (Source: Private Participation in Transmission Sector, Ministry of Power, Government of India).

Bidding Process under TBCB Route

Projects are bid for under a build, own, operate and maintain ("**BOOM**") model as per standard bidding documents notified by the MoP, which comprises a request for proposal and request for quotation and standard form transmission agreement and share purchase agreement. The annual transmission charge for a 35-year period is discovered through this bidding process.

The bidder, whose bid is evaluated by the BPC as the lowest annual levelised tariff, is selected. The successful bidder is then required to acquire a special purpose vehicle ("**SPV**"), incorporated by the BPC. Once the process of acquisition is complete, the SPV approaches CERC to obtain a transmission license and for adoption of transmission charges.

The bidding process is undertaken by the BPC under a well-defined framework stipulated by MoP. The standard bidding document of the MoP comprises bidding documents i.e. the RFQ and RFP for the purpose of bidding. The bidding documents include details of the project, such as, construction milestones, financial and technical qualification requirements to be met by the bidders, details of the model transmission service agreements, other technical, operational and safety criteria and bid evaluation methodology. After the submission of bids, a bid evaluation is undertaken by a committee comprising at least one member from the CEA. The bidder, whose bid is evaluated by the BPC as having quoted the lowest annual levelised tariff, is considered for the award. After selection, the bidder is required to acquire the project SPV from the BPC and make applications to CERC for grant of transmission license and for adoption of transmission charges. The successful bidder is designated as the transmission service provider ("**TSP**"). The TSP commissions the line as per the schedule specified in the transmission service agreement with the long term service customers, the effective date for start of project development being the date of acquisition of SPV by the TSP. In case the TSP commissions the project early, it is eligible to declare the COD as per such early commissioning date, subject to certain conditions.

Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations")

For details of the sharing of transmission charges, as set out in the CERC Sharing Regulations, please see the section entitled "*Regulations and Policies – The Power Sector – Regulations – Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020*" on page 206.

Components of Transmission Charges

Transmission charges comprise fixed and variable components and are billed, collected and paid to through the CERC Sharing Regulations.

Availability-based Transmission Charges

Inter-state power transmission projects are entitled to incentive or liable for penalty if actual availability is higher or lower than the target availability. These 'availability-based' transmission charges incentivize transmission service providers to provide the highest possible system availability, which is the time for which the transmission system is available. In case of RTM projects, the calculation of incentive is carried out as per applicable CERC Regulations and in case of TBCB projects, the calculation of incentive or penalty, as the case may be, is carried out as per the respective TSA. Also, in the case of lower availability of the transmission system than the target availability, the developer is entitled to recover only the proportionate transmission charges from the beneficiaries. Better operation and maintenance practices, qualified trained manpower 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 thermo-vision scanning may result in higher transmission network availability.

Transmission charges

The transmission charges for ISTS are collected and disbursed to transmission licensees by the CTU as per the CERC Sharing Regulations. The transmission charges comprise a fixed non-escalable charge and may also comprise a variable escalable charge. The escalable charge is escalated based on the escalation rate which is notified by CERC semi-annually. The escalation rate computed by CERC is based on WPI with 45% weight and CPI with 55% weight (Source: CERC Explanation for the notification on Escalation Factors and other parameters for Tariff Based Competitive Bidding for Transmission Service, October 2020). In addition to this, there might be an incentive or penalty payment, as described above.

SUMMARY OF BUSINESS

Overview

We are an InvIT set-up to own, construct, operate, maintain and invest as an infrastructure investment trust as permissible in terms of the InvIT Regulations, including in power transmission assets in India. We were registered with SEBI as an InvIT on January 7, 2021. Our Sponsor, Power Grid Corporation of India Limited, also acting in the capacity of our Project Manager, is a CPSE under the Ministry of Power, GoI and is listed on BSE and NSE. Our Sponsor was conferred with 'Maharatna' status on October 23, 2019 by the GoI. As of March 31, 2019, our Sponsor was the third largest CPSE in terms of gross block as per the Public Enterprises Survey 2018-19 issued by the GoI, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises in February 2020 ("**Public Enterprises Survey**"). As of November 1, 2020, our Sponsor was the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres (Source: CEA). As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (*Source: www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014.

Our Sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India and undertakes operations in the Indian telecom infrastructure sector. As of December 31, 2020, our Sponsor also provides transmission and distribution consultancy services in India and other jurisdictions, with footprints in 21 countries (including India).

As of December 31, 2020, our Sponsor owned the Sponsor TBCB Projects. Our Sponsor, through its wholly-owned subsidiaries, is setting up, implementing and operating transmission projects at various locations in India where the right to provide transmission services is procured under the TBCB mechanism. As of December 31, eight of these ISTS SPVs had commenced commercial operations, comprising 39 transmission lines (6,398 ckm), with a total power transformation capacity of 9,630 MVA. The remaining Sponsor TBCB Projects are at different stages of development.

Of the Sponsor TBCB Projects, we propose to acquire five projects initially with a total network of 11 power transmission lines of approximately 3,698.59 ckm and three substations having 6,630 MVA of aggregate transformation capacity, as of December 31, 2020, across five states in India (the "**Initial Portfolio Assets**").

The Initial Portfolio Assets were awarded to our Sponsor under the TBCB mechanism on a build-own-operate-maintain ("**BOOM**") basis. The Initial Portfolio Assets earn revenues, i.e. availability based transmission charges, pursuant to the transmission service agreements ("**TSAs**"), from the DICs under such TSAs irrespective of the quantum of power transmitted through the transmission line. In addition, maintaining availability of the Initial Portfolio Assets in excess of 98%, gives us the right to claim incentives under the TSAs. The transmission charges for power transmission projects acquired through the TBCB mechanism, including the Initial Portfolio Assets, is contracted for the period of the relevant TSAs, which is 35 years from the Scheduled COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC. For further details in relation to the key terms of the TSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

Our Investment Manager, POWERGRID Unchahar Transmission Limited, a wholly-owned subsidiary of our Sponsor, is responsible for managing us and the Initial Portfolio Assets as well as undertaking investment decisions relating to our assets. Our Investment Manager has been engaged in the power transmission business since Fiscal 2014 and has relevant infrastructure sub-sector experience owing to its involvement in the construction and operation of a transmission system. Our Investment Manager meets the prerequisite experience as required under the InvIT Regulations. Our Investment Manager has overall responsibility for setting our strategic direction, including in relation to our future acquisitions, divestment, or enhancement of assets. For further details, please see "*Parties to the Trust – The Investment Manager – POWERGRID Unchahar Transmission Limited*" on page 101.

Our Trustee, IDBI Trusteeship Services Limited, is a trusteeship company registered with SEBI as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, since February 14, 2017. On behalf of our Unitholders, the Trustee is responsible for (a) ensuring that our business activities and investment policies comply with the provisions of the InvIT Regulations, and (b) monitoring the activities of our Investment Manager (in terms of the Investment Management Agreement) and our Project Manager (in terms of the Project Implementation and Management Agreement). For further details, please see "*Parties to the Trust – The Trustee – IDBI Trusteeship Services Limited*" on page 93.

We intend to distribute at least 90% of the net cash available for distribution to our Unitholders once at least every quarter in every financial year. However, the first declaration of distribution by the Trust shall be made within six months from the listing and trading of units pursuant to the Offer, subject to compliance with the InvIT Regulations. For further details, please see the section entitled "*Distribution*" on page 194.

We believe that we are well positioned to take advantage of the growth potential of India's power transmission industry given our financial position, support from our Sponsor and the robust regulatory framework for power transmission in India. We are also focused on providing stable and sustainable distributions to our Unitholders.

Our revenue from operations for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 9,922.84 million, ₹ 13,242.87 million, ₹ 9,771.56 million and ₹ 3,435.69 million, respectively. Our profit for the period for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 3,371.42 million, ₹ 3,788.25 million, ₹ 2,480.63 million and ₹ 1,141.34 million, respectively.

We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively.

Competitive Strengths

Strong lineage and support from our Sponsor and Project Manager

We believe that the experience and expertise of Power Grid Corporation of India Limited, our Sponsor, provides us with a significant competitive advantage within the Indian power transmission industry. Our Sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India, undertakes operations in the Indian telecom infrastructure sector and provides transmission and distribution consultancy services in India and other jurisdictions, and operates training facilities for professionals in transmission technology and management. Our Sponsor was conferred with the 'Navratna' status by the GoI in May 2008, which was upgraded to the 'Maharatna' status in October 2019, which provides our Sponsor with strategic and operational flexibility as well as enhanced financial autonomy to take certain investment decisions without seeking approval from the GoI. Our Sponsor occupies a key position in the GoI's plans for the growth and development of the Indian power sector. As of March 31, 2019, our Sponsor was the third largest CPSE in terms of gross block as per the Public Enterprises Survey. Our Sponsor is the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres. As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (*Source: www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014. Our Sponsor is listed on BSE and NSE, and is a part of various benchmark indices and environmental, social and governance indices.

Our Sponsor has been awarded various transmission projects under the TBCB mechanism adopted by the Central and the State Governments and as of December 31, 2020, had the highest market share, on the basis of number of projects awarded among the ISTS projects awarded under the TBCB mechanism (Source: CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Completed Projects), December 2020; CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), December 2020). During the period October 6, 2008 and December 31, 2020, our Sponsor was declared as the successful bidder for 16 out of 52 ISTS projects awarded under the TBCB mechanism. In addition, our Sponsor was awarded four intra-state projects through the TBCB mechanism. Our Sponsor has recently emerged as the successful bidder in the bids for five TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to our Sponsor by the relevant bid process coordinators. As of December 31, 2020, our Sponsor operated, on a standalone basis, 1,238 transmission lines aggregating to 161,742 ckm, 248 substations (including HVDC substations and GIS substations) with 411,000 MVA of transformation capacity. Further, as of December 31, 2020, our Sponsor's total transmission assets, including its wholly owned subsidiaries, consisted of 1,277 transmission lines aggregating to 168,140 ckm, 252 substations with an aggregate transformation capacity of 420,630 MVA. In addition, our Sponsor benefits from a strong balance sheet by leveraging it to support its growth. Our Sponsor also has a diverse set of equity investors, including foreign portfolio and institutional investors, mutual funds and insurance companies, and access to a wide range of project finance and debt instruments from Indian and international markets and investors.

Further, our Sponsor by virtue of being a public sector undertaking, also benefits from the Government appointed directors on its board, with each of its directors possessing several years of industry and management experience, key industry relationships and professional qualifications. Our Sponsor's management team has a strong understanding of the technical and financial aspects of the transmission business. They have a successful track record in negotiating, structuring and financing investments in power transmission assets, and managing such assets. In addition, our Sponsor has been operating, maintaining and managing the Initial Portfolio Assets under the terms of the relevant operations and maintenance ("**O&M**") agreements. Since our Sponsor will also act as our Project Manager and will continue to provide O&M services to the Initial Portfolio Assets, we will benefit from our Sponsor's experience including from its O&M expertise.

Consistent and stable cash flows from assets with long term visibility and low counter party risks

We derive our revenues for electricity transmission from contracted transmission charges under long term TSAs which characterizes our power transmission business with low level of risk. The transmission charges for each Initial Portfolio Asset are contracted for the period of the TSA, which is 35 years from its respective Scheduled COD. The transmission charges consist of fixed 'non-escalable' transmission charges and in case of PVTL, fixed 'non-escalable' transmission charges and 'variable escalable' transmission charges. Since transmission charges are fixed for a period of 35 years, there is minimal price risk arising from transmission charge resetting, which provides stability, consistent cash flows and long term visibility.

Further, inter-state power transmission projects receive transmission charges on the basis of availability, including in case of outage due to a *force majeure* event, subject to requisite approvals and irrespective of the quantum of power transmitted through the system. Maintaining annual availability in excess of 98% also gives us the right to claim incentives under the terms of the respective TSAs, ensuring adequate benefit to maximize availability. From the respective CODs until December 31, 2020, each of the Initial Portfolio Assets has consistently achieved annual average availability of more than 98% for which the Initial Portfolio Assets have earned incentive revenues in accordance with the respective TSAs. In Fiscal 2020, the aggregate annual incentive revenue from all the Initial Portfolio Assets amounted to ₹ 417.79 million. The amount of incentive revenue earned increases as the availability levels increase, with a maximum incentive revenue earned for maintaining availability of greater than or equal to 99.75%. Further, the average remaining term of the TSAs entered into by the Initial Portfolio Assets is over 32 years, and with carrying out required renovation works, the useful life of our transmission assets can be extended up to 50 years, according to the Technical Reports. The long residual life of the Initial Portfolio Assets provides long and stable visibility of cash flows. Since the Initial Portfolio Assets are on a BOOM basis, we will be in possession of these assets perpetually, which further ensures stability of cash flows.

Transmission charges under the TSAs are typically billed, collected, and disbursed pursuant to the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("**CERC Sharing Regulations**"), where transmission charges are paid to the CTU and the proceeds are distributed proportionately to each of the inter-state transmission system licensees, including the Initial Portfolio Assets, which we believe ensures limited counterparty risk. Any shortfall in collection of transmission charges by the CTU, due to delayed payment, partial payment or non-payment by DICs, is shared on a pro-rata basis by all 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 charges through the point of connection mechanism. We believe that payment securities in the form of letters of credit, a surcharge of 1.50% per month on the unpaid amount for late payments, regulation of power supply in the event of non-payment and lack of alternate power infrastructure deter transmission customers from defaulting on payments. Further, we believe that such a mechanism diversifies counter party risk, ensures stable cash flows independent of asset utilization at the hands of transmission customers and provides payment security. Further, under the CERC Sharing Regulations, billing of transmission charges on a bilateral basis is permitted, such as in cases of default by an entity responsible for building upstream or downstream systems.

Power transmission projects are characterized by low levels of operating risk. Once a transmission project has been commissioned, it requires low levels of expenditure for O&M, which means that we will have the benefit of owning a critical and strategic asset without incurring significant additional operational costs. In particular, by carrying out required renovation works, the useful life of our transmission assets can be extended up to 50 years, according to the Technical Reports. Each Initial Portfolio Asset has also entered into an O&M agreement with our Sponsor pursuant to which our Sponsor shall be responsible for operations, maintenance and periodic repairs required for the Initial Portfolio Assets. The scope of the O&M arrangement includes, among other things, routine O&M and preventive maintenance, breakdown rectification work, carrying out loping of trees during patrolling of transmission lines, and meeting charges toward the up-keep of sub-stations. We believe this arrangement provides us with necessary expertise for the O&M of such assets, visibility of maintenance costs and, therefore, steady and predictable cash flows.

Strong financial position

We believe our financial position will help us finance our future expansion plans. We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively. Our revenue from operations for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 9,922.84 million, ₹ 13,242.87 million, ₹ 9,771.56 million and ₹ 3,435.69

million, respectively. Our profit for the period for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 3,371.42 million, ₹ 3,788.25 million, ₹ 2,480.63 million and ₹, 1,141.34 million, respectively. Following utilization of the Offer Proceeds, our consolidated borrowings and deferred payments net of cash and cash equivalents will be below 49% of the total value of our assets, as prescribed by the InvIT Regulations.

Further, we expect that the low debt position of our balance sheet (relative to our assets) will provide us with the ability to finance the growth of our business without substantial dilution to our Unitholders in the near future to ensure compliance with the InvIT Regulations. In addition, the security of payments for the transmission service by the Initial Portfolio Assets, as ensured under the terms of the TSAs and the CERC Sharing Regulations, which we believe results in low receivables risk, ensures timely payment and increases our financial strength.

Government support and an established regulatory framework

The GoI has also been supportive in securing the settlement of outstanding dues by the designated inter-state transmission system customers and in addressing right of way issues, as well as expediting forest clearances that are required during implementation of projects. For instance, pursuant to the circular dated February 5, 2013 of the Ministry of Environment, Forest & Climate Change ("**MoEFCC**"), linear projects including transmission lines have been exempted from obtaining NOCs from the concerned gram sabha(s). Instead, a certificate from the District Collector is the only requirement as per the circular of MoEFCC dated July 5, 2013 under the Schedule Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. In addition, MoEFCC vide its notification dated March 6, 2017 has further amended the rules which now provides that such DC certificate is not required for stage-1 or in-principle approval and can be submitted along with compliance for stage-2 (final) approval. For further details, please see the section entitled "*Regulations and Policies*" on page 203. Further, to facilitate early resolution of RoW issues for laying of transmission lines, Ministry of Power has issued to all States and Union Territories guidelines relating to payment of compensation towards damages in regard to RoW for transmission lines dated October 10, 2015, and guidelines relating to payment of compensation towards damages in regard to RoW for transmission lines in urban areas dated July 16, 2020, which lay down indicative guidance for calculation of compensation amounts payable in relation to transmission lines supported by a tower base of 66 kV and above.

The transmission segment of the Indian power sector is a regulated sector with an established regulatory framework. Various regulatory and statutory bodies, such as the CEA, the Central Electricity Regulatory Commission (the "**CERC**") and various state electricity regulatory commissions (the "**SERCs**"), provide institutional guidance in the formulation of policy framework for the participation and ongoing regulation of various stakeholders involved in the industry, including, transmission service providers, such as, our Sponsor and us. Further, CERC is empowered to adjudicate disputes and refer to disputes to arbitration in relation, amongst others, the inter-state transmission of electricity. Appeals against orders of the CERC may be preferred before the Appellate Tribunal for Electricity ("**APTEL**"), and appeals against orders of APTEL may be preferred before the Supreme Court of India. Accordingly, the Electricity Act provides for a transparent dispute resolution mechanism in the Indian power industry. The current regulatory framework for the Indian power transmission segment provides significant risk mitigation provisions, such as, availability-based payment structure with no volume risk and the billing, collection and disbursement procedure for adequate payment with limited price risk. We believe such provisions help in ensuring long-term visibility on returns and predictable cash flows. Accordingly, our Initial Portfolio Assets enjoy the benefit of a well-established regulatory regime and long-term cash flow stability as provided under the existing tariff policy.

Strategic and critical nature of power transmission infrastructure with low risk of emergence of alternate transmission infrastructure

The power sector is a strategic and critical sector as power supply system not only supports critical national infrastructure, national defence and vital emergency services, but also supports the entire economy and day-to-day life of the citizens of India (Source: Order dated July 2, 2020, issued by the Ministry of Power, Government of India).

The Initial Portfolio Assets comprise grid strengthening links, generation linked assets, and assets linked with inter-regional power flow covering both demand and supply centric states of Himachal Pradesh, Maharashtra, Andhra Pradesh, Madhya Pradesh and Telangana, making them strategically and critically important for the transmission of power from one part of India to another. In general, power transmission projects are strategic and critical assets since they operate as vital links in the power supply value chain.

Transmission projects, such as the Initial Portfolio Assets, are capital intensive and complex to develop since these are linear in nature. The construction, development and implementation of a transmission project involves various challenges, such as, difficult terrains, obtaining approvals and right of way, land acquisition issues and construction costs. The projects may pass through various routes including rural, semi-urban and urban areas, rivers, deserts and forests which may require procurement of land for substations, where required. The transmission lines of the Initial Portfolio Assets are predominantly located in areas where developing alternate lines may be difficult due to these challenges. Accordingly, we believe that we are in an advantageous position to capitalize on opportunities that may arise for increasing power transmission capacity by utilizing our existing right of way, since developing alternate and new lines may be challenging for another entity. For further details, please see "*Our Business – The Initial Portfolio Assets*" on page 145.

Skilled and experienced Investment Manager having strong corporate governance philosophy

We will be managed by qualified personnel of the Investment Manager who have management and operational experience in the power transmission sector and established track records in negotiating, structuring and financing investments of power transmission assets, and managing those assets. Accordingly, we expect to benefit from the skills and experience of the board of directors and the management teams of our Investment Manager while making investment decisions and financially managing the Initial Portfolio Assets. For further details, please see the section entitled "*Parties to the Trust*" on page 92. We believe that their experience and leadership will contribute to our growth and success and will position the Initial Portfolio Assets to be operated and managed in an efficient manner.

In addition, based on the aforesaid, our Investment Manager has implemented a corporate governance framework which includes corporate governance requirements in addition to those prescribed under the InvIT Regulations, and we believe that the Unitholders will benefit from the same. For further details, please see the section entitled "*Corporate Governance*" on page 119. The key features of our corporate governance structure include:

- Not less than 50% of the board of directors of the Investment Manager shall comprise of independent directors and shall not include directors or members of the governing board of the investment manager of another infrastructure investment trust registered under the InvIT Regulations.

- Our Investment Manager has constituted the following committees of our board, namely, (i) the Investment Committee, a majority of the members of which are independent directors; (ii) the Audit Committee, the chairperson of which is an independent director; and (iii) the Stakeholders' Relationship Committee, at least one member of which is an independent director.

- All investment decisions with respect to the underlying assets or our projects from our Sponsor including any further investments or divestments to ensure protection of the interest of Unitholders, are and will be reviewed by the Investment Committee.

Business Strategies

Focused business model with productive and operational efficiency to enhance returns

We intend to achieve stable distributions for our Unitholders by focusing on owning power transmission assets with long-term TSAs, low operating risks, and consistent and stable cash flows, which is consistent with the characteristics of the Initial Portfolio Assets. By leveraging our Sponsor's and Investment Manager's industry knowledge and experience, including in relation to O&M practices, as well as by continuing our focus on this asset class we believe we would be able to maximize our strategic opportunities and overall financial performance.

We intend to continue to maintain high transmission availability, optimize our operating costs and incorporate new and efficient technologies as well as undertake further improvement in our O&M practices. By maintaining high transmission availability rates, we are eligible to receive an incentive payment under the relevant TSAs, and the Initial Portfolio Assets have had a successful track record of achieving high availability and receiving such incentive payments. In addition to providing financial benefits, such incentive payments demonstrate the ability of our Project Manager to efficiently maintain our transmission systems above the required regulatory levels. We continue to aim to achieve high availability to maximize incentive revenue on a sustainable basis by deploying prudent asset management practices, incorporating new and efficient technologies and services into our operations, conducting technology based routine and predictive maintenance, and following maintenance practices, which we believe ensures improved business performance, reduces as well as optimizes our operating costs while also increasing our revenue generation from the Initial Portfolio Assets on account of high transmission availability.

We intend to continue to make improvements in our O&M practices, through increased use of automation and digitisation. We plan to further modernize our infrastructure and services, and aim to continue to follow best industry practices with respect to performance, corporate governance, management and employee training, quality control, environmental excellence and safety. For our existing infrastructure, we also intend to maintain those assets so as to increase the useful life to the extent possible in order to obtain cost efficiencies. We believe that our focus on modernising our transmission infrastructure and maintenance practices will increase the useful life of our systems, improve their operating performance and raise the efficiency of our capital expenditure.

Capitalize on value accretive growth through acquisitions and non-transmission revenues

We are focused on the Indian market, where we believe there is a significant opportunity for growth. Other than the Investment Manager and the Initial Portfolio Assets, the Sponsor owns two operational subsidiaries with an aggregate gross block of ₹ 50,286.10 million as on December 31, 2020. Further, as of December 31, 2020, there were seven subsidiaries in the construction phase, and the project cost estimated by the Sponsor is ₹ 92,000 million. In addition, four subsidiaries in intra-state power transmission (with the project cost estimated at ₹ 30,000 million) are also in construction phase. The subsidiaries in construction phase are progressively scheduled for completion by Financial Year 2023.

Further, keeping in view the long term sustainable growth of the power sector, various policies and investment plans of the Government of India, such as the target for 175 GW cumulative renewable power installed capacity by the year 2022, the Draft National Energy Policy (2017), National Infrastructure Pipeline, proposed amendment to Electricity Act, 2003 and Aatmanirbhar Bharat Scheme, provide indications for various opportunities for the power sector in the long term. As of December 31, 2020, 14 inter-state transmission projects estimated at ₹ 162,415.20 million were under bidding by the BPCs (Source: Request for proposals issued by REC Transmission Projects Company Limited and PFC Consulting Limited). Our Sponsor emerged as the successful bidder in the bids for five of these TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to our Sponsor by the relevant bid process coordinators We believe that our Sponsor is well positioned to capitalize on such growth opportunities on account of its focused business model and proven track record of identifying, acquiring, developing, constructing, operating and maintaining critical power transmission infrastructure assets. The Cabinet Committee on Economic Affairs, while granting approval to the Sponsor for monetisation of the Initial Portfolio Assets through the InvIT route, has also permitted the Sponsor to monetise, through the InvIT route, its other TBCB subsidiaries, which are either under construction or shall be acquired by it in future, as per the directives and targets fixed by the Government of India. Accordingly, we believe that when our Sponsor intends to monetise its power transmission subsidiaries acquired through the TBCB route, we, as a ready investment vehicle set up by the Sponsor, stand to be benefitted as a preferred route of monetisation, considering the expected shorter turnaround time for achieving the targeted monetisation with an existing pool of investors. Our Investment Manager intends to capitalize on opportunities to acquire power transmission projects in India that provide attractive cash flows. Our future growth will be derived primarily from our value accretive acquisition strategy, which will be focused primarily on acquiring power transmission projects as and when such opportunities arise, and which would provide long-term, regular and predictable cash flows, demonstrate potential to maintain or enhance returns to Unitholders, and provide potential for long-term capital growth in accordance with our investment objectives. The future acquisitions of projects owned by the Sponsor will be assessed for their suitability with our investment mandate and are subject to mutual agreement between our Sponsor and our Investment Manager on our behalf, as well as approval by the Unitholders.

Further, our Investment Manager may seek to generate non-transmission revenue from various avenues, including leasing of optical ground wire and transmission towers.

Optimization of transmission assets through an efficient capital structure

The Investment Manager aims to maintain an optimal and varied portfolio of transmission assets, as well as an efficient capital structure and balanced consolidated leverage, to provide for consistent and predictable cash flows. Following utilization of the Offer Proceeds, our consolidated borrowings and deferred payments net of cash and cash equivalents shall be within the limits prescribed by the InvIT Regulations, and there shall be no borrowings of the Initial Portfolio Assets other than the Facilities. The Investment Manager intends to employ appropriate financing policies and diversify its sources of financing with the objective of minimizing our overall cost of capital. The Investment Manager will operate within the InvIT Regulations for borrowing, as may, from time to time, be prescribed. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units.

In order to acquire additional power transmission projects to provide the most balanced and optimal capital structure, we intend to consider both private and public markets, for raising debt capital. We believe that on account of the revenues generated by the Initial Portfolio Assets, the predictability of cash flows, the contractual agreements governing our operations and the low risk profile of our assets, we are well positioned to maintain our balance sheet over the longer term with investment grade credit rating metrics and maintain appropriate levels of debt relative to equity.

RISK FACTORS

An investment in the Units involves a high degree of risk. Before investing in the Units, you should pay particular attention to the fact that the Trust, the Parties to the Trust, the Initial Portfolio Assets and each of their activities are governed by the legal, regulatory and business environment in India, which differs from that which prevails in other countries. You should carefully consider the risks described below as well as other information as disclosed in this Final Offer Document before making an investment in the Units. The risks described in this section are those that the Trust, the Sponsor and the Investment Manager consider to be the most significant to our business, prospects, financial condition, results of operations and cash flows, and are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us, the Sponsor and/or the Investment Manager, or that they currently believe to be immaterial, may also have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. If any or a combination of the following events occur, or if other risks that are not currently known or are now deemed immaterial give rise to similar events, our business, prospects, financial condition, results of operations and cash flows could materially suffer, the value of the Units could decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, the Trust, the Sponsor and the Investment Manager are not in a position to quantify the financial or other implication of any of the risks mentioned herein.

This Final Offer Document contains forward-looking statements (including Projections of Revenue from Operations and Cash Flow from Operating Activities) that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Final Offer Document.

To obtain a complete understanding, prospective investors should read this section together with the sections entitled "Our Business" on page 138 and "Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows" on page 169, as well as the other financial and statistical information contained in this Final Offer Document.

In making an investment decision, you must rely upon your own examination and the terms of the Offer, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Offer.

In this section, unless the context otherwise requires, a reference to "we", "us" and "our" refers to the Trust and the Initial Portfolio Assets on a consolidated basis. Furthermore, unless the context otherwise requires, the financial information used in this section is derived from our Combined Financial Statements prepared under Ind AS.

RISKS RELATING TO OUR BUSINESS

1. The Trust is a newly settled trust and does not have an established operating history, which will make it difficult to accurately assess our future growth prospects.

The Trust was set-up on September 14, 2020 and proposes to acquire a part of the shareholding of the Sponsor in each of the Initial Portfolio Assets immediately prior to the Allotment. Accordingly, the Trust does not have any operating history or its own historical financial information by which its past performance may be assessed. This will make it difficult for investors to assess its future performance. Growth prospects as an infrastructure investment trust can be affected by a wide variety of factors, including, inability to raise funds required for our operations, adverse developments in taxation regulations affecting our Unitholders, operational performance, distribution, and acquiring new assets. An inability to meet these challenges could cause disruptions to our operations and could be detrimental to our long-term business outlook. There can be no assurance that the Initial Portfolio Assets will be able to generate sufficient revenue from their operations to generate sufficient cash flows to make distributions to the Unitholders, or that such distributions will be in line with those set out in the section entitled "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360. Additionally, the historical financial information of the Initial Portfolio Assets on a combined basis has been included in this Final Offer Document. For further details, please see the section entitled "*Combined Financial Statements*" on page 287. There can be no assurance that our future performance will be consistent with the historical financial information included in this Final Offer Document.

2. We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability which may adversely affect our cash flows and results of operations.

We operate our power transmission projects under an availability-based tariff regime. Inter-state power transmission projects receive transmission charges on the basis of availability, irrespective of the quantum of power transmitted through the system. Under the TSAs, the availability is calculated in accordance with the terms incorporated in the TSAs, which are based on the provisions of the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014, as the case may be under the relevant

TSA. The provisions of the TSAs, including the schedules to the agreements, 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 95% for a particular project, we are subject to a penalty computed in accordance with the formula specified in the TSAs, which shall be apportioned in the ratio of the transmission charges paid or actually payable by our customers existing at the end of the relevant contract year.

We may be unable to operate and maintain our power transmission projects to achieve prescribed availability due to a number of factors, which include:

- failure to obtain, maintain or renew permits and licenses or meet any conditions specified therein;
- 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 labour disturbances or disputes;
- performance of equipment below expected levels of output or efficiency;
- environmental issues affecting the operations of transmission systems;
- planned or unplanned power outages;
- theft of equipment and line material;
- 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, pandemic, etc. to the extent such events are not excluded from the calculation of availability under the TSAs.

Accidents or malfunctions involving transmission lines or sub-stations, 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 and 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. In the event warranties under the various supplier contracts (which largely have standard contractual conditions but may differ with respect to technical specifications from project to project) for our Initial Portfolio Assets expire, we may not be compensated for equipment failures, engineering and design defects from such suppliers. For instance, under the general conditions of contract entered into by the Initial Portfolio Assets for supply of conductor and equipment for the Initial Portfolio Assets ("**GCC**"), the defect liability period is twelve months from the date of acceptance of the goods and related services by the Initial Portfolio Assets ("**Defect Liability Period**"). Under the GCC, in case of any defective goods, the relevant supplier is obligated to repair or replace the same once notified by the Initial Portfolio Assets of the same. Under the GCC, if such repair/ replacement is undertaken by the supplier within the Defect Liability Period, the defect liability period for the repaired/ replaced goods is extended for a further period of 12 months. Further, if any latent defects (i.e., defects inherently lying within the material or arising out of design deficiency) manifest themselves after the Defect Liability Period, the liability of the relevant supplier for latent defects is limited to a period of ten years (five years in the case of PKATL) from the end of the Defect Liability Period. While we may be covered for any malfunctions in equipment during the Defect Liability Period or any latent defects, we cannot assure you that we will be compensated in all situations where the equipment is defective, or where such defects negatively impact the transmission services and availability under the TSAs.

The power transmission projects comprising the Initial Portfolio Assets pass through various terrains, including 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 risk materialises, our ability to operate and maintain power transmission projects to achieve the prescribed availability threshold of 98%, as provided under the TSAs entered into by the Initial Portfolio Assets could be adversely affected. We may also face reputational risks which could affect our ability to bid for future power transmission projects and, may face potential claims for loss of business or for damages if we are unable to transmit power as agreed under the TSAs. An Initial Portfolio Asset may have its license cancelled by CERC or its TSA terminated by LTTCs 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.

3. ***Substantially all our revenues are derived from payments received from Designated Inter State Transmission System Customers ("DICs"). A delay in payments of billed transmission charges by the DICs to the CTU may adversely affect our cash flows and results of operations.***

Our Portfolio Assets recover their approved electricity transmission charges from ISTS charges collected by the CTU, except for certain bilateral billing arrangements in the case of PKATL and PWTL in accordance with the CERC Sharing Regulations and orders passed by the CERC in this regard. The CTU bills and collects transmission charges from DICs on a regular basis, and pays such transmission charges to the transmission licensees, including the Initial Portfolio Assets. The proceeds are distributed proportionately to each of the inter-state transmission system licensees, including the Initial Portfolio Assets. Any shortfall in collection of transmission charges by the CTU is shared on a pro-rata basis by all transmission service providers, including the Initial Portfolio Assets. The payment mechanism is structured to incentivise the DICs to make timely payments through rebates, and a surcharge is levied on delayed payments by DICs. For further details, please see the section entitled *"Our Business"* and "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows*" on pages 138 and 169, respectively.

The DICs under the Sharing Regulations include generating stations, State Transmission Utilities ("**STUs**"), distribution licensees including state electricity boards or its successor companies, electricity departments of various states, bulk consumers and any other entity directly connected to the ISTS. Some of these customers have experienced periods of financial weakness in the past. A failure or delay on the part of any DIC to make timely payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Portfolio Assets. The payments received by the CTU from the DICs are distributed proportionally to the transmission licensees based on their billing amount. A number of factors which are beyond our control and which affect the business, prospects, financial condition, results of operations or cash flows of the DICs could result in the delay or failure of our Portfolio Assets to receive payments of transmission charges. For instance, in the case of PVTL, there has been non-payment amounting to ₹ 16.12 million on account of non-payment by certain generating companies to which long term access was granted by the CTU. 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.

4. ***As the terms and conditions, including the transmission charges under the TSAs are generally fixed, we may not be able to offset increase in costs, including operation and maintenance costs, solely from transmission charges payable to us under the TSAs. This may adversely impact our business, prospects, financial condition, results of operations and cash flows***

The transmission charges under the TSAs are largely fixed for the specified term of the TSA, and are subject to the incentive payable, and in the case of PVTL, the escalable component payable. Operation and maintenance costs of the Portfolio Assets may increase due to factors beyond our control, including the following:

- Increase in the cost of labour, materials and insurance;
- Restoration costs in case of events such as floods, natural disasters, pandemics and accidents or other events causing structural damage or compromising safety;
- Adverse weather and climatic conditions;
- Unforeseen regulatory changes, application of taxes including income tax, and accounting liabilities; and
- Other unforeseen operational and maintenance costs.

The Project Manager will be providing operation and management services through the O&M Agreements entered into with the Initial Portfolio Assets. We may not be able to offset increased operation and maintenance costs as the transmission charges are fixed under the TSAs. With respect to the PVTL TSA, as the escalable component forms only a small portion of the transmission charges payable to PVTL, it may be insufficient to offset such cost increases. Additionally, as the escalable portion of the transmission charges payable is linked to the escalation index calculated in accordance with the terms of the TSAs, there can be no assurance that adjustments of the escalable transmission charges will always be positive or will be sufficient to cover increased costs resulting from inflation. Significant increase 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.

Three of the Initial Portfolio Assets (PWTL, PPTL and PJTL) incurred additional costs in the construction of their transmission assets due to change in law. Accordingly, the three Initial Portfolio Assets had filed petitions before the CERC seeking additional amounts on account of change in law. While CERC has passed orders in favour of PWTL and PPTL, the petition filed by PJTL against, among others, Maharashtra State Electricity Distribution Company Limited and M.P. Power Management Company Limited is still pending. In addition, PJTL has also sought condonation of delay and an extension of date of commercial operation by nine days from CERC. For further details, please see the section entitled "*Legal and Other Information*" on page 215. In terms of the Share Purchase Agreements, the realization of the aforementioned claims made by PWTL, PPTL and PJTL shall be transferred to the account of the Sponsor.

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 could cause our actual results of operations to deviate from our financial projections and estimates and adversely impact our business, prospects, financial condition, results of operations and cash flows.

5. The ability of the Project Manager to ensure that our power transmission systems are fully operational at all times may be subject to the limitations of the power grid, existing equipment or operational risks outside of its 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 rely on sophisticated machinery that is built by third parties which may malfunction. Injuries to people or property may also occur in ordinary course of carrying on our business, which could subject us to significant disruptions in business and legal and regulatory actions. The operation of power transmission projects also involves many operational risks, some of which are outside our control, including explosions, fires, damages due to earthquakes and other natural disasters, change in climatic conditions, the breakdown or failure of transmission equipment or other equipment or processes, operating below expected levels, labour disputes, civil unrest, terrorism and war. Any disruption in the operations of our power transmission projects could negatively impact the reputation of the Trust, the Project Manager, the Investment Manager or the Sponsor 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.

6. The financial projections are subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, that could cause actual results to differ materially from those projected. Accordingly, the Initial Portfolio Assets may not achieve the projected financial performance referred to in the financial projections, which would adversely affect our ability to meet our projected distributions to our Unitholders.

The financial projections contained in this Final Offer Document are based on historical financial information and certain estimates and assumptions. There can be no assurance that the Initial Portfolio Assets will be able to generate sufficient cash from the operations of the projects for the Trust to make distributions to the Unitholders or that such distributions will be in line with those set out in the section entitled "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360. The future financial performance of the Trust could vary materially from the financial projections and some of such projections' underlying assumptions might change or not materialise as expected. Unfavourable events or circumstances not anticipated may also arise. There can be no assurance that the assumptions will be realised or actual distributions will be as anticipated. Should any of the Initial Portfolio Assets be unable to meet the expected financial projections for any reason, including tariff not being non-escalable, annual escalation rate of tariff being lesser than 4.32%, and annual availability being lesser than 99.75%, this would materially and adversely affect our ability to meet our financial projections.

These financial projections are only estimates of possible future operating results and not guarantees of future performance. The financial projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions as set out in this Final Offer Document. Though considered reasonable by the Investment Manager, these financial projections may not be realised and are inherently subject to significant business, economic, competitive, industry, regulatory, market and financial uncertainties and contingencies, many of which are beyond the control of the Trust, the Investment Manager or the Sponsor. Our actual future operating results will be affected by numerous factors, including those discussed in the section entitled "*Forward-looking Statements*" on page 16, "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360 and in this risk factor.

Actual results or developments may differ materially from the expectations expressed or implied in the "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360. Accordingly, there is no assurance that we will be able to achieve the projections or make the distributions set out in "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360, in a timely manner or at all. As a result, you should not rely upon the financial projections in making an investment decision given how they are calculated and the possibility that actual results may differ materially from the underlying estimates and assumptions.

Further, the "*Projections of Revenue from Operations and Cash Flow from Operating Activities*" on page 360 of this Final Offer Document are forward-looking statements which are subject to a number of assumptions. These include assumptions concerning inflation, which affects the escalable component of the transmission charges, wherever applicable. Although the projections have been prepared after due and careful deliberation by the Investment Manager and examined by the Auditors, the assumptions underlying the projections are inherently uncertain and are subject to significant business, economic, financial, regulatory and competitive risks, uncertainties and contingencies, many of which are outside of the Investment Manager's control and subject to change. In addition, our revenue from operations is dependent on a number of factors, including the performance of our transmission systems, which may decrease for a number of reasons as discussed above. We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability and be entitled to the maximum amount of transmission charges as available under the TSAs.

These factors may adversely affect our ability to achieve the projected operating results and distributions as some or all of the events and circumstances assumed may not occur as expected, or events and circumstances that are not currently anticipated may arise. There is no assurance that the assumptions will be realised or that actual distributions will be as projected. If we do not achieve the projected operating results, we may not be able to make the expected distributions, in which case the market price of the Units may decline materially or we may be in default under the InvIT Regulations. The Investment Manager will not, and disclaims any obligation to furnish updated business plans or projections to our Unitholders, or to otherwise make public such information.

7. We may not be able to make distributions to our Unitholders comparable to our Unitholders' estimated or anticipated distributions or at all.

Our distributions will be based on the net distributable cash flows available for distribution. The InvIT Regulations provide that not less than 90% of our net distributable cash flows will be distributed to the Unitholders. Such distributions must be declared and made not less than once every six months in each financial year and are required to be made not later than fifteen days from the date of such declaration. The amount of cash available for distribution principally depends upon the amount of cash that the Trust receives as dividends or the interest and principal payments from our Portfolio Assets, which in turn depends on the amount of cash that the relevant Portfolio Assets generate from operations, and may fluctuate based on, among other things:

- insufficient cash flows received from our Portfolio Assets;
- realisation of dues from customers;
- debt service requirements and other liabilities of our Portfolio Assets;
- fluctuations in the working capital needs of our Portfolio Assets;
- ability of our Portfolio Assets to borrow funds and access capital markets;
- restrictions contained in any agreements entered into by our Portfolio Assets, including financing agreements;
- respective businesses and financial positions of our Portfolio Assets;
- applicable laws and regulations, which may restrict the payment of dividends by our Portfolio Assets;
- operating losses incurred by our Portfolio Assets in any financial year;
- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto;
- amount and timing of capital expenditures on our Portfolio Assets; and
- amount of fees we pay to the Investment Manager, the Project Manager and other Parties to the Trust;

Further, the method of calculation of the net distributable cash flows may change subsequently due to regulatory changes. Any change in applicable laws in India or elsewhere (including, for example, tax laws and foreign exchange controls) may limit our ability to pay or maintain distributions to our Unitholders. Furthermore, no assurance can be given that we will be able to pay or maintain the levels of distributions at all, or that the level of distributions will increase over time, or that future acquisitions will increase our distributable cash flow to our Unitholders. Any reduction in, or delay/ default in payments of distributions could materially and adversely affect the market price of our Units.

As a result of any or all these factors, we cannot guarantee that we will have sufficient cash generated from operations to achieve net distributable cash flows or realise profits or surplus in any future period in order to make distributions every six months or at all.

8. Any changes to current tariff policies or regulations governing the CTU or load despatch centres by regulatory authorities could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

With respect to potential impacts on statutory payment pooling bodies, in accordance with the CERC Sharing Regulations, transmission licensees such as the Initial Portfolio Assets are entitled to recover their approved transmission charges from ISTS charges collected by the CTU. The CTU collects transmission charges from DICs 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 Initial Portfolio Assets, their counterparty risk may increase significantly and our business, prospects, financial condition, results of operations and cash flows may be materially and adversely affected. For instance, CERC on May 4, 2020 notified the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020, which came into force with effect from November 1, 2020, and specify a detailed procedure for billing, collection and disbursement. Under these regulations, notwithstanding any contrary provision in the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009, Central Electricity Regulatory Commission

(Terms and Conditions of Tariff) Regulations, 2014 or the TSAs, rebate of 1.50% is allowed if payment is made within five days of presentation of bills, and 1% if payment is made later than five days but within 30 days of presentation of bills. Further, notwithstanding any contrary provision in the aforementioned 2009 and 2014 tariff regulations or the TSAs, late payment surcharge at 1.50% per month is payable by the concerned DIC in case the payment of any bill for charges payable under the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020 is delayed by a DIC, beyond the due date.

With respect to potential impact on statutory despatch bodies, the operators of the national or state transmission grids, the National Load Despatch Centre ("**NLDC**"), the regional load despatch centres ("**RLDCs**") and the state load despatch centres ("**SLDCs**"), operate the grids as independent operators in accordance with the Electricity Act and the rules and regulations made thereunder. Any negative change in the statutory operating parameters of the NLDC, the RLDCs or the SLDCs, as applicable, may negatively impact the corresponding availability of the Initial Portfolio Assets and in turn materially and adversely impact the business, prospects, financial condition, results of operations and cash flows of the Initial Portfolio Assets. Any such unfavourable changes, particularly to tariff, payment pooling and despatch regulations, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

9. Our businesses could be adversely affected if we are unable to maintain or renew our existing regulatory approvals, or obtain any new 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 the GoI and relevant regulatory authorities. The Portfolio Assets require regulatory approvals, sanctions, licenses, registrations and permissions to construct and operate their business.

The timing and content of any new law or regulation is not within the control of the Initial Portfolio Assets, and any changes to current regulatory bodies or existing regulatory regime as well as changes in certain significant terms of any of such approvals, sanctions, licenses, registrations and permissions, such as their duration, the amount of charges payable under the approvals, sanctions, licenses, registrations and permissions, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects.

The laws and regulations governing the power transmission industry have become increasingly complex and govern a wide variety of issues, including billing and collections, allocation of transmission charges among the DICs, calculation of availability and forest clearance. Any change in policy for such issues may result in our inability to meet such increased or changed requirements. We cannot assure you that we will obtain all regulatory approvals, sanctions, licenses, registrations and permissions that may be required in the future in a timely manner or at all, or receive renewals of existing or future approvals, sanctions, licenses, registrations and permissions in the time frame required for the Portfolio Assets and other operations or at all, which could adversely affect our business. Future changes in laws and regulations and failure or the 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 any dividends to the Trust, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions of any kind, or increase the risk of litigation and have an adverse effect on the price of the Units. For details of approvals that have been applied for but not received, please see the section entitled "*Regulatory Approvals - Approvals applied for but not yet received*" on page 213.

10. 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 in a timely manner or at all, which could impede the implementation of our acquisition strategy and may adversely impact our business.

Under the InvIT Regulations, the Trust is required to distribute not less than 90% of its net distributable cash flows to the Unitholders. Please see the risk factor entitled "*– We may not be able to make distributions to our Unitholders comparable to our Unitholders' estimated or anticipated distributions or at all*" on page 54. Accordingly, in order to expand our portfolio of projects through acquisitions, we will primarily rely on debt and equity financing. We cannot assure you that such financing will be available on favourable terms in a timely manner, 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 obtain funding on short notice to benefit fully from opportunities. However, under the InvIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Trust and the Portfolio Assets, net of cash and cash equivalents exceed 25%, we are required to obtain a credit rating and seek Unitholder approval for any further borrowings up to 49%. In addition, the level of indebtedness of our Portfolio Assets may impact our ability to borrow without prior Unitholders' approval. The aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents of the Trust and the Portfolio Assets cannot exceed 70% of the value of the assets of the Trust. For any further borrowings beyond 49%, we are required to comply with specific conditions prescribed under the InvIT Regulations, *inter alia*, obtaining approval from at least 75% of the Unitholders, and demonstrating a track record of at least six distributions on a continuous basis post listing of the Units, in the years preceding the financial year in which the enhanced borrowings are proposed to be made. An increase in borrowings beyond 49% up to the aforementioned limit of 70% may impact our ability to pay dividend, our credit ratings and cash flows, among others.

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. Moreover, under the terms of the debt financing agreements, we may be subject to certain restrictive covenants, including:

- maintaining specified debt to equity ratios;
- restrictions on making any dividend payments or making any other restricted payments (including redemption of any shares of any class, prepayment in relation to any indebtedness, payment of interest on unsecured loans, investment in any entity) except as permitted under the financing agreements;
- restrictions on lender approvals of settlements involving losses for which we are entitled to make an insurance claim;
- restrictions on change of control;
- restrictions on the repayment of any subordinated debt without prior consent of relevant lenders;
- prior consent for creation of any additional security interest in any of the secured property;
- restrictions on undertaking or permitting any scheme of arrangement or compromise with creditors or shareholders; and
- restrictions on effecting changes in the management control or capital structure.

Such financing agreements may also require the Initial Portfolio Assets to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, the Initial Portfolio Asset may be required to immediately repay its borrowings either in whole or in part, together with any related costs. It may not be able to secure consents from, or negotiate revised terms with, the lenders on terms favourable to the Trust or at all.

Such covenants may also restrict 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 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 make distributions to our Unitholders. Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition.

Restrictions imposed by the RBI may limit our ability to borrow from 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.

Our future growth will be derived primarily from our value accretive acquisition strategy, which will be focused primarily on acquiring power transmission projects that provide attractive cash flows. We may also propose to fund the consideration (in whole or in part) for future acquisitions through the issuance of additional Units. However, we may not be able to complete the issuance of the required number of Units on short notice or at all due to a lack of investor demand for the Units, market conditions, for other external factors that are not in our control, or at prices that it considers to be in the interests of then-existing Unitholders. As a result of a lack of funding, we may not be able to pursue our value accretive 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.

11. The Trust shall not acquire the entire equity share capital of the Initial Portfolio Assets on account of the lock-in conditions for the equity shareholding of the Sponsor in the Initial Portfolio Assets.

The TSAs entered into between the LTTCs and the Initial Portfolio Assets provide for provisions in relation to the lock-in of the equity shareholding of the Sponsor in the Initial Portfolio Assets. Specifically, the TSAs specify that the selected bidder (i.e., the Sponsor in the present case) is required to hold (a) 51% of the paid-up equity share capital of the Initial Portfolio Assets up to a period of two years after the commercial operation date of the project; and (b) 26% of the paid-up equity share capital of the Initial Portfolio Assets up to a period of three years thereafter. The restrictions specified in either (a) or (b) above are currently applicable in the case of the Initial Portfolio Assets, as the relevant period after the commercial operation date has not passed. Accordingly, the Trust shall not be able to acquire the Sponsor's equity shareholding in the respective Initial Portfolio Assets prior to the completion of the respective lock-in periods, which are as follows:

Initial Portfolio Asset	Date of Commercial Operations ("COD")	Expiry of equity-lock in conditions with respect to 26% of the issued and paid-up equity share capital of the Initial Portfolio Asset (i.e. five years after COD)
PVTL	February 1, 2017	February 1, 2022
PKATL	July 12, 2017	July 12, 2022

PPTL	June 4, 2018	June 4, 2023
PWTL	July 10, 2018	July 10, 2023
PJTL	January 1, 2019	January 1, 2024

For further details, please see the section entitled "*Formation Transactions in Relation to the Trust – Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor"* on page 23. However, there can be no assurance that upon completion of the respective lock-in periods, the Trust will be able to acquire the balance shareholding in the Initial Portfolio Assets in a timely manner.

12. 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 existing/ future competitors are, or may be supported by, large companies that may have greater financial, managerial and other resources than us. Our competitors may also have established relationships with other stakeholders that may better position them to take advantage of certain opportunities. The competitive environment may make it difficult for us to successfully acquire power transmission 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, expected capital expenditures, results of operations, cash flows, financial condition and our distributions to our unitholders.

13. Opposition from local communities and other parties, such as through litigation or by other means, may adversely affect our financial condition, results of operations and cash flows.

The construction and operation of our power transmission systems and substation 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 transmission project typically depends on the location of the project and the surrounding ecosystem. Further, the construction and operation of our power transmission systems may disrupt the activities and livelihoods of local communities, especially during the project construction period. Repair work on a power transmission project may be delayed to resolve local community concerns.

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 organisations, in relation to their environmental impact or in relation to land acquisition, acquisition and use of rights of way for construction or operation and maintenance activities and the consequent impact on livelihood of affected communities.

In addition, there are various legal proceedings pending against the Initial Portfolio Assets with respect to land on which the Initial 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, in 2017, the Government of Maharashtra and the Government of Madhya Pradesh notified payment of land compensation for tower base and transmission line corridors to the landowners. On account of the same, PJTL (Madhya Pradesh), PWTL (Madhya Pradesh and Maharashtra) and PPTL (Maharashtra) have incurred and expect to incur additional expenditure in relation to payment of land compensation for the transmission assets. Accordingly, PJTL, PWTL and PPTL had filed petitions before the CERC praying for increased costs and increased transmission charges due to change in law events, including, *inter alia*, the aforementioned notifications requiring payment of compensation to the landowners. See "*Legal and other Information*" on page 215. Subsequently, orders have been passed by CERC in the petitions filed by PWTL and PPTL in the favour of PWTL and PPTL.

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

Our operations are subject to various environmental laws and regulations in various locations in India where our Portfolio Assets operate. Although the notifications issued by the Ministry of Environment, Forests and Climate Change under the Environment (Protection) Act, 1986, prescribing the procedure with respect to environmental impact assessment ("**EIA**") are not applicable to power transmission projects, prior environment clearance is required for electrification and laying of new transmission lines without detailed EIA if such lines are passing through certain notified areas of Aravali Range falling in the districts of Alwar in Rajasthan and Gurgaon and Nuh (Mewat) in Haryana. Further, while projects such as construction of transmission lines are exempted from obtaining consent of the concerned gram sabha, forest clearance or river crossing approvals may still be required to be obtained under applicable law. Although applicable environmental approvals were obtained prior to completion of construction of the Initial Portfolio Assets, laws and regulations in India in this regard 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 Initial Portfolio Assets, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. For further details, please see the section entitled "*Regulations and Policies*" on page 203.

The personnel working on our power transmission projects are exposed to risks. If safety procedures are not followed or if certain materials used in power substations and transmission equipment are improperly handled, it could lead to injuries to such persons, damage our Portfolio Assets' properties and properties of others, or harm the environment. This could result in significant disruption in our businesses and to legal and regulatory actions, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

As central and local governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and there can be no assurance that we will be at all times be in compliance with these regulatory requirements. If there is any change in the environmental, health and safety regulations to which we are subject, we may need to incur substantial capital expenditures to comply with such new regulations. The costs of complying with current and future environmental, health and safety laws and the liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition and results of operations.

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

Our ability to make consistent distributions to our Unitholders depends on the continued service of management teams and personnel of the Investment Manager and Project Manager. Each of the Investment Manager and Project Manager may face challenges in recruiting and retaining 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 the Investment Manager and Project Manager need for our operations. In particular, as each of the Investment Manager and the Project Manager are controlled and influenced by the policies of the GoI, they may be unable to compete with private companies for suitably skilled personnel due to the latter's ability to provide more competitive compensation and benefits. Furthermore, the Investment Manager and Project Manager may not be able to adequately redeploy and retrain their employees to keep pace with evolving industry standards and changing customer preferences. The loss of key personnel of either of the Investment Manager or the Project Manager, may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

16. 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. These risks include explosions, fires, earthquakes and other natural disasters and calamities, breakdowns, failures or substandard performance of equipment, improper installation or operation of equipment, accidents, acts of terrorism, operational problems, transportation interruptions and labour disturbances. 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. Our industrial all risk insurance policy (which covers, among others property damage, third party liability and terrorism damage cover in case of the Initial Portfolio Assets and in case of PKATL, also covers business interruption losses and loss of transmission revenue) may not be sufficient to cover 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 the Initial Portfolio Assets deem necessary or adequate, or at rates which they consider reasonable, in particular, in case of significant increases in premium levels at the time of renewing their insurance policies or 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, 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.

17. If we are unable to adapt to technological changes, our business and financial performance could suffer.

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging power transmission industry standards and practices in a cost-effective and timely manner that is competitive with other transmission and substation projects. The development and implementation of such technology entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies effectively or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons, to adapt in a timely manner or at all, to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected. Further, we may be unable to adapt to or cope with the emergence of any unknown or unanticipated technologies which are disruptive in nature, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

18. There is no assurance that our third-party contractors will not violate any applicable laws and regulations. Our inability to identify any substitute for such third-party contractors may adversely affect our business operations or planned expansion projects.

We generally undertake construction of our transmission and substation projects through third party contractors. Our selection criteria for contractors would be primarily based on the technical experience and financial position requirements of the projects. Prior to engaging any contractor, we endeavour to ensure that their capacity and capability, including their quality control systems, are adequate for contract execution. Although we have established internal control procedures in the selection of contractors, there is no assurance that our contractors will not violate any applicable laws and regulations in their provision of services. If any of our contractors is involved in any material breach of applicable laws and regulations which leads to termination of the relevant contracting agreement and we are unable to identify any substitute, our business operations or planned expansion projects may be adversely affected. Further, our Project Manager may also be liable for the default by contractors on wage payments, or any violation by them of the applicable laws and regulations. For further details, please see the risk factor entitled "*– Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by employees or other disputes with employees*" on page 59 below.

19. Upgrading or renovation work or physical damage to our power transmission projects may disrupt their operations and result in unforeseen costs, which may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Our power transmission 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 on account 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 projects resulting from fire, severe weather, climatic changes 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.

20. 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 that being 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, overdrawing of electricity by some of the provincial utilities and inadequate response by SLDCs to the instructions of RLDCs with respect to managing power offtake from the national grid.

Although our Initial Portfolio Assets employ modern methods for maintenance, load despatch and communications systems to avoid such outcomes, the Indian power sector faces difficulties in implementing various directives due to electricity being both a Central government and a State government subject, which results in varying priorities of the stakeholders. There can be no assurance that the grid will not experience disturbances in the future, including, as a result of actions taken by various entities operating in the power sector, the rapid expansion of regional electricity grids and their integration into a national grid or other reasons, or whether any such disturbance will be promptly addressed. Such disturbances could adversely affect our reputation as a transmission service provider, which could in turn adversely affect our business, prospects, financial condition, results of operations and cash flows.

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

The Sponsor who has been appointed as the Project Manager to operate and maintain our Initial Portfolio Assets has full-time employees focused on operations and maintenance of our transmission systems. Our transmission systems may experience disruptions in their operations due to disputes or other problems with labour, and efforts by workers to modify compensation and other terms of employment may divert our 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.

Pursuant to the O&M Agreements, the Project Manager may sub-contract its obligations to provide any of the services under the O&M Agreements to any other entity after providing written intimation to the SPV. Any such third-party entity may engage contract labour in order to complete the assignments sub-contracted to it. Although the Project Manager and our Initial Portfolio Assets may not engage such labour directly, should the sub-contractors default on wage payments to such labour, the Project Manager and our Initial Portfolio Assets may be required to absorb such wage payments as if they were employees, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970. Any requirement to fund such wage payments may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Further, a substantial number of employees of the Project Manager at the workman level are affiliated with labour unions. Neither the Project Manager nor the Investment Manager have had any instances of strikes or labour unrest since they commenced operations. There can be no assurance that there will be no strikes or labour unrest in future which may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

22. Any infrastructure project including power transmission project that we acquire, which is still under construction and development, may be subject to cost overruns or delays, which may in turn materially and adversely affect our financial and operational estimates and projections, our business, prospects, financial condition, results of operations and cash flows.

We may acquire infrastructure projects including power transmission 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 power transmission projects is subject to substantial risks, including various planning, engineering and construction risks. Power transmission projects typically require substantial capital outlays and may require a long gestation period of between two to four years before the commencement of commercial operation. The owner generally begins generating a return on investment in a power transmission project after the commencement of commercial operation, which may be delayed due to various reasons.

Under the InvIT Regulations, we can only acquire a power transmission project which has received all permits, approvals and licenses. Several key steps must be taken before power transmission projects start operating, generate revenue and recover costs, including but not limited to:

- 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/ obtaining rights of way from land owners and local authorities;
- complying with ongoing requirements of the required permits, approvals and licenses;
- procuring sufficient equity, debt, mezzanine and other necessary financing;
- entering into or securing transmission related arrangements including, TSAs and revenue sharing agreements ("**RSAs**"); and
- Obtaining the requisite approvals to commence transmission on the line.

During the construction and development phases of a power transmission project, we may also suffer from the unavailability of equipment/ materials, shortage of technically skilled personnel and labour, work stoppages, labour or social unrest, adverse weather conditions, accidents, natural calamities, delays in construction, delays in clearances, unforeseen construction-related and/ or operational delays and defects, delivery failures by, and disputes with contractors, limited availability of competent construction companies, increased cost of raw materials, unavailability of adequate funding, inability to secure rights of way for certain portions of the transmission lines, failure to complete power transmission 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 policies and tax policies, foreign exchange movements, adverse trends in the power transmission industry or general economic conditions in India. These factors, as well as other unforeseeable problems and circumstances may lead to substantial increases in the time and costs required to complete the power transmission projects that we may acquire. We may also not be able to recover the additional costs and may also be subjected to levy of liquidated damages in case of delay in commissioning of the project. For example, as part of the NRSS-XL scheme, PKATL is in the process of installing a bus reactor at Kala Amb through the regulated tariff mechanism. If the implementation of this installation is delayed, and such delay is not condoned by the CERC, PKATL may be required to bear costs on account of delays that may not be condoned by CERC. This, and other such instances may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, in relation to PPTL, PWTL and PJTL, the transmission systems could not be commissioned on the scheduled commissioning date due to change in law and force majeure events, including grant of forest clearance, introduction of GST, and notification of land compensation orders by the Government of Maharashtra and Government of Madhya Pradesh. In the case of PPTL and PWTL, the delay was acknowledged by the relevant LTTCs and the scheduled commercial operation date for the project was revised to June 4, 2018 and July 10, 2018, respectively *vide* supplementary agreement entered into between PPTL and the LTTCs dated June 18, 2019 and between PWTL and the LTTCs dated September 11, 2019. In the case of PJTL, while the joint coordination committee approved the request for extension of scheduled date of commissioning by 180 days, it requested PJTL to approach the CERC for relief in relation to the remaining nine days (the total delay on account of force majeure being 189 days). Further, through a letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited, the lead LTTC, granted its consent to revise the Scheduled COD by 180 days. Subsequently, *vide* letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited also conveyed its consent to PJTL to reduce the contract performance guarantee equivalent to 9 days liquidated damages amount valid until the decision of time extension by CERC. PJTL is in the process of entering into a supplementary transmission services agreement for the revision of the Scheduled COD. In addition, PPTL, PWTL and PJTL agreed that no additional tariff burden would be levied on the LTTCs due to extension of respective scheduled CODs. Subsequently, PPTL, PWTL and PJTL have filed petitions before the CERC seeking, *inter alia* additional amounts on account of change in law. For further details, please see the section entitled "*Legal and Other Information*" on page 215. Subsequently, orders have been passed by CERC in the petitions filed by PWTL and PPTL.

Under the Share Purchase Agreements, the Trust has agreed that the claims made by the Initial Portfolio Assets, as identified in the Share Purchase Agreements and as disclosed in the section entitled "*Legal and Other Information – Litigation involving the Trust*" on page 215, shall be to the account of the Sponsor and subject to applicable law, shall be transferred by the Trust to the Sponsor.

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

23. There may not be any eligible acquisition opportunities from the Sponsor or third parties in the future, which may adversely affect Trust's business, financial condition, results of operations and prospects.

The Trust may aim to achieve portfolio growth through its acquisition growth strategy for power transmission projects supported by (i) one or more acquisitions from the Sponsor; and (ii) third party acquisitions. The Cabinet Committee on Economic Affairs, while granting approval to the Sponsor for monetisation of the Initial Portfolio Assets through the InvIT route, has also permitted the Sponsor to monetise, through the InvIT route, its other TBCB subsidiaries, which are either under construction or shall be acquired by it in future, as per the directives and targets fixed by the Government of India. There can be no assurance as to the extent and timing of monetisation of the Sponsor's other TBCB subsidiaries.

Eligible acquisition opportunities from third parties that meet the eligibility criteria under the Trust Deed may also not materialise or the Trust may face increased competition from other InvITs, the Sponsor and third parties and therefore the price at which the Trust is able to acquire a given asset may not be financially desirable. An inability to grow through prudent acquisitions may adversely affect the Trust's business, financial condition and results of operations.

24. The independent auditors' report on Trust's Projections of Revenue from Operations and Cash Flow from Operating Activities contains restrictions with respect to the purpose of the report and use of the report by investors in the United States.

The independent auditor's report on Projections of Revenue from Operations and Cash Flow from Operating Activities, contains the following restrictions:

The independent auditor's report on the Projections of Revenue from Operations and Cash Flow from Operating Activities is issued in accordance with the requirement under the InvIT Regulations and is issued for the sole purpose of the Offer in accordance with the InvIT Regulations. The independent auditor's work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. U.S. securities regulations do not require profit forecasts to be reported on by a third party. The independent auditor's report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the U.S. Securities Act of 1933 participating in the Offer. The independent auditor accepts no responsibility and denies any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by the law and regulation of the United States.

25. As a shareholder of our Portfolio Assets, the Trust'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 insolvency or liquidation of any of the Portfolio Assets, secured and unsecured creditors of such Portfolio Assets will be entitled to payment in full from the insolvency or liquidation proceeds in priority to us in our capacity as an equity shareholder of the Portfolio Assets. Further, under the Companies Act, 2013, in the event of winding-up of any of the Portfolio Assets, workmen's dues and debts due to secured creditors (to the extent such debts rank *pari passu* with workmen's dues) are required to be paid in priority over all other outstanding debt, followed by statutory dues such as revenues, taxes, cesses and rates due to the Central or the State governments, wages and salaries of employees, and all amounts payable to employees under a provident fund, pension fund, gratuity fund or any other fund for the welfare of the employees maintained by a company. Accordingly, amounts payable to us in respect of any unsecured debentures issued by our Portfolio Assets will be subordinated to the payment of such amounts. Moreover, the Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") provides for reorganisation and insolvency resolution of corporate persons. The Bankruptcy Code offers a uniform, comprehensive insolvency legislation encompassing all companies, partnerships and individuals (other than financial service providers). It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. The Bankruptcy Code creates an institutional framework, consisting of a regulator, insolvency professionals, information utilities and adjudicatory mechanisms that facilitate a formal and time-bound insolvency resolution and liquidation process. The Bankruptcy Code enables a creditor to initiate a corporate insolvency resolution process ("**CIRP**") against the debtor, including on default in payment of debt by the debtor. Further, if the petition for the CIRP is admitted by the National Company Law Tribunal against the debtor, the moratorium provisions under the Bankruptcy Code prohibits, among other things, the creation of encumbrances, disposing of assets of the debtor, any action to enforce the security interest of the debtor and the institution or continuation of legal proceedings against the debtor. If the Bankruptcy Code provisions are invoked against us, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

Under the terms of the TSAs executed by the Initial Portfolio Assets with the LTTCs, the Initial Portfolio Assets are not permitted to create or permit to subsist any encumbrance over all or any of their rights and benefits under the TSAs. However, the Initial Portfolio Assets are permitted to create any encumbrance over all or part of the receivables, including those under the TSAs, letter of credit or the other assets of the Initial 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. Accordingly, as a shareholder in our Initial Portfolio Assets, the Trust's rights are subordinate to the rights of creditors, debt holders and other third parties in the event of insolvency or liquidation of any of our Initial Portfolio Assets.

Further, the Trust proposes to extend loans to the Initial Portfolio Assets in accordance with the Facility Agreements. The Facilities shall be unsecured and shall accordingly rank subordinate to any secured borrowings of the Initial Portfolio Assets. For further details, please see the section entitled "*Formation Transactions in relation to the Trust - Utilisation of Offer Proceeds*" on page 24. Accordingly, amounts payable to us in respect of the Facilities, will, upon enforcement of security over receivables, letter of credit or other assets of the Initial Portfolio Assets, be subordinated to amounts payable to secured lenders or amounts payable in respect of statutory dues and operating and maintenance expenses (including operating expenses payable to the Initial Portfolio Assets, if any).

26. We may be required to record significant charges to earnings in the future when we review our power transmission assets for potential impairment. Any such charges will likely have a material adverse effect on our results of operations.

Under Ind AS, we are required to review our power transmission assets for impairment whenever circumstances indicate that the carrying value may not be recoverable. Various uncertainties, including deterioration in the global economic conditions that result in upward changes in cost of capital, increases in cost of completion of such power transmission assets, the occurrence of natural disasters that impact our power transmission assets, adverse weather conditions, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, change in applicable legislation, regulations and rules, changes in market or economic conditions, delays in obtaining the requisite licenses, and other unforeseeable problems and circumstances, could impact expected cash flows to be generated by such assets, and may result in impairment of these power transmission assets in the future.

We may be required in the future to record a significant charge to earnings in our financial statements during the period in which any impairment of our power transmission assets is determined. While no such impairment has occurred in respect of the Initial Portfolio Assets, notwithstanding that any such impairment would be a non-cash expense, any such charges will likely have a material adverse effect on our results of operations.

27. 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. We may seek to generate non-transmission revenue through various avenues, including leasing of optical ground wire and transmission towers. Entry into such non-transmission avenues may be risky and expensive, and there can be no assurance that we will be able to adequately monetize our expansion in these areas due to the cost of implementing new technologies, upgrading networks, slowdown in investments and various uncertainties in the Indian telecom sector, regulations issued by CERC which require the sharing of revenue from power transmission projects or if we will be able to obtain requisite approvals from CERC or the LTTCs or any other authority. For instance, pursuant to the judgement dated October 24, 2019 passed by the Supreme Court of India, the Department of Telecommunications, Ministry of Communications, Government of India, served provisional demand notices to the Sponsor to clear license fee including interest, penalty and interest on penalty pertaining to financial years 2006-07 to 2018-19 as part of adjusted gross revenue levies, in respect of national long distance and internet service provider licenses held by the Sponsor. While in its letter dated July 14, 2020, the Department of Telecommunications, Ministry of Communications, Government of India withdrew the demands, there can be no assurance that any such demands will not arise in the future.

28. We may lose transmission revenues and incur significant repair and replacement costs in the event our power transmission projects are rendered inoperable due to force majeure events as categorised in the TSAs.

The rights as well as obligations of our Portfolio Assets may be affected by the occurrence of force majeure events specified in the TSAs, which include, among others, natural disasters such as earthquakes, volcanic eruptions, landslides, droughts, and non-natural events such as wars, terrorist activities, and compulsory acquisition by a governmental authority in India. In the event that any of our power transmission projects are rendered inoperable due to force majeure events as categorised in the TSAs, there can be no assurance that we will be able to successfully apply to obtain the benefit of excluding such period from availability calculations, thereby enabling us to receive transmission charges under the force majeure provisions under the TSA, 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.

29. The Investment Manager requires the prior approval of the Ministry of Power, Government of India ("MoP") for any change in the Independent Directors on the IM Board on a continuous basis. There can be no assurance that the IM Board will at all times be in compliance with the requirements for board constitution under the InvIT Regulations

The Investment Manager is a Central Public Sector Enterprise. Accordingly, the power of appointment and any change of independent directors on the IM Board vests with the MoP, Government of India. In terms of Regulation 4(2)(e)(v) of the InvIT Regulations, at least half of the directors on the board of the investment manager are required to be independent directors. As on the date of this Final Offer Document, the board of directors of the Investment Manager constitutes two non-independent directors, pursuant to the approval granted by the MoP in its letter dated December 15, 2020. While the current composition of the IM Board is in accordance with the requirements under Regulation 4(2)(e)(v) of the InvIT Regulations, as the power to appoint directors vests with the MoP, Government of India, there can be no assurance that the IM Board will always be in compliance with the requirements under the InvIT Regulations.

Further, in the past, our Sponsor has not been compliant with the SEBI Listing Regulations for similar reasons. The power to appoint all directors on the board of the Sponsor vests with the President of India, acting through the Ministry of Power. The Sponsor has previously not been in compliance with the provisions of Clause 49 of the Equity Listing Agreement in relation to the requirement for independent directors on its Board on few occasions. Moreover, on May 5, 2020, SEBI issued a caution letter to the Sponsor in relation to the delayed disclosure of receipt of assessment orders/ demand notices by the Sponsor from the Department of Telecommunications, Ministry of Communications, Government of India. The Department of Telecommunications, Ministry of Communications, Government of India, through its letter dated July 14, 2020, withdrew the demands and the same was disclosed by the Sponsor to the Stock Exchanges on July 15, 2020.

30. The TSAs, power transmission assets and the transmission licenses of the Initial Portfolio Assets have a limited duration and may not be renewed/ replaced, which may affect our results of operations.

As per the TSAs, the life of the Initial Portfolio Assets is 35 years. However, with necessary retrofitting/ overhauling, the life can be extended up to 50 years, according to the Technical Consultant Reports. Our TSAs have a term of 35 years and any renewal is subject to CERC's discretion. Further, the average remaining term of the TSAs of the Initial Portfolio Assets is over 32 years according to the Technical Consultant Reports. For details regarding the commercial operation date and the dates of expiry of the TSAs of the Initial Portfolio Assets, please see the section entitled "*Our Business – Initial Portfolio Assets*". There can be no assurance that we can replace our physical assets or renew our TSAs on acceptable terms in a timely manner, or at all, which may affect our results of operations.

Further, while the TSAs have a duration of up to 35 years, the transmission licenses issued by CERC are valid only 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 in a timely manner or at all, which may affect our results of operations. For further details in relation to the licenses, please refer to the section entitled "*Regulatory Approvals*" on page 211.

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

RBSA Valuation Advisors LLP have been appointed as an independent valuer under the provisions of the InvIT Regulations for the purpose of valuation of the Initial Portfolio Assets. The Valuer has issued the Valuation Report, which sets out their opinion as to the fair enterprise value of the Initial Portfolio Assets as on December 31, 2020. In order to issue their Valuation Report, the Valuer based certain assumptions to estimate the fair enterprise value of the Initial Portfolio Assets using the discounted cash flow method on information provided by and discussions with or on behalf of us, the Sponsor 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 Report contains forecasts, projections and other "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. 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 the "*Valuation Report*" attached as Annexure A to this Final Offer Document.

Further, not all assumptions used in the preparation of the Valuation Report have been included herein. The Valuation Report is not an opinion on the commercial merits and structure of the Trust or the Initial Portfolio Assets nor is it an opinion, expressed or implied, as to the future trading price of our Units or our financial condition upon listing. The Valuation Report does not purport to contain all the information that may be necessary or desirable to fully evaluate us or the Initial Portfolio Assets or an investment in the Trust or our Units. The Valuation Report is not based on a comprehensive review of the business, operational or financial condition of the Initial Portfolio Assets and, accordingly, makes no representation or warranty, expressed or implied, in this regard. The Valuation Report does 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 the Trust or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsor, the Investment Manager, the Project Manager or the Trust. Further, we cannot assure you that the valuation prepared by the Valuer reflects the true value of the net future revenues of the Initial 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 Initial Portfolio Assets. The Valuation Report has 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 Sponsor, the Investment Manager, the Project Manager, the Trust or any other party that any person should take any action based on the Valuation Report. Accordingly, prospective investors should not unduly rely on the Valuation Report in making an investment decision to purchase Units in the Trust.

32. This Final Offer Document contains industry information from publicly available resources.

The information in the section entitled "*Overview of the Power Industry in India*" on page 130 is based on publicly available information. Neither we, nor the Trustee, the Sponsor, the Lead Managers, the Investment Manager nor any other person connected with the Offer has verified such information. Further, such industry-based data is based on information as of specific dates and may no longer be current or reflect current trends. We cannot guarantee the accuracy, adequacy or completeness of the data therein and are not responsible for any errors or omissions or for the results obtained from the use of the data therein. The information in the said section is based on estimates, projections, forecasts and assumptions. We cannot assure you that such estimates shall not prove to be incorrect.

33. This Final Offer Document contains the Technical Reports which we have commissioned.

The Technical Consultant has prepared the Technical Reports concerning the Initial Portfolio Assets which are contained in this Final Offer Document. We commissioned the Technical Reports for the purposes of conducting a technical assessment of the Initial Portfolio Assets. Neither we, nor the Trustee, the Sponsor, the Lead Managers, the Investment Manager nor any other person connected with the Offer has verified the information in the Technical Reports. Further, the Technical Reports have been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the Technical Reports based on estimates, projections, forecasts and assumptions may prove to be incorrect. The Technical Reports are subject to various limitations and are based upon certain bases, estimates and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager. There can be no assurance that the bases, estimates and assumptions adopted by the Technical Consultant for the purposes of preparing the Technical Reports will prove to be accurate. Future reports for the Initial Portfolio Assets could be materially different from those that are set forth in the Technical Reports and this Final Offer Document.

The Technical Consultant is an independent technical consultant and has advised that while it has taken due care and caution in preparing the Technical Reports based on the information obtained by the Technical Consultant from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the Technical Reports or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of Technical Reports or the data therein. Further, the Technical Reports are not a recommendation to invest/ disinvest in the Initial Portfolio Assets covered in the report. Prospective investors are advised not to unduly rely on the Technical Reports when making their investment decision.

34. The Combined Financial Statements presented in this Final Offer Document may not be indicative of our future financial condition, results of operations and cash flows. Further, the Combined Financial Statements for Fiscal 2018 are not comparable with the Combined Financial Statements for Fiscals 2019 and 2020, and the nine months ended December 31, 2020 on account of different dates of commercial operations of the Initial Portfolio Assets.

Upon completion of the Offer, the Trust's only assets will be our shareholding in the Initial Portfolio Assets and any debt financing provided by the Trust to the Initial Portfolio Assets. We will rely on cash flows from the Initial Portfolio Assets, including from dividends, interest payments and principal repayments. For the purpose of this Final Offer Document, the Combined Financial Statements have been prepared so as to present the financial position, results of operations and cash flows of the Initial Portfolio Assets on a combined historical basis for fiscals 2018, 2019 and 2020 and the nine months ended December 31, 2020. The Combined Financial Statements have been prepared for the sole purpose of the Offer and may not necessarily represent our consolidated financial position, results of operations and cash flows had the Trust been in existence during the periods presented, nor do they give an indication of our financial results, cash flows and financial position in the future. After the Listing Date, there may be certain changes to our cost structure, level of indebtedness and operations. Our cost structure after the Listing Date may differ in certain significant respects from our cost structure as indicated in the Combined Financial Statements.

Further, in connection with our acquisition of the Initial Portfolio Assets, certain of our assets and liabilities will be fair-valued at the time of exchange (which will be done post-Offer) for the purpose of a purchase price allocation exercise required under Ind AS for financial reporting purposes. No assurance can be given that material changes to our financial statements in future periods will not be required.

In addition, the financial information for Fiscal 2018 in the Combined Financial Statements only reflects operating activities of PVTL, PKATL and certain elements of PWTL, since the remaining Initial Portfolio Assets did not achieve commercial operation until Fiscal 2019. In addition, during Fiscal 2018, PKATL and certain elements of PWTL became operational and revenue generating resulting in their operating activities being reflected from their respective CODs until March 31, 2018 and not for the full 12-month period in Fiscal 2018. Further, PJTL was only operational for a period of three months in Fiscal 2019. Accordingly, the financial information for Fiscal 2018 in the Combined Financial Statements is not comparable with the financial statements for Fiscals 2019 and 2020 and for the nine months ended December 31, 2020 in the Combined Financial Statements, which reflect the operating activities of all Initial Portfolio Assets since all of them became operational and revenue generating in Fiscal 2019. For further information, please see the sections entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations – Presentation of Financial Information*" and "*Our Business*" on pages 170 and 138, respectively.

35. We do not own the "POWERGRID" trademark and logo. Our license to use the "POWERGRID" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.

We do not own the "POWERGRID" trademark and "POWERGRID" logo, the "PGInvIT" trademark and "PGInvIT" logo, as well as the "PUTL" trademark and "PUTL" logo. The Sponsor has made an application for registration of the "POWERGRID" trademark and "POWERGRID" logo under the Trade Marks Act, 1999. However, pursuant to the Trademark Licensing Agreement, the Sponsor has granted to the Trust and the Investment Manager a non-exclusive, non-transferable, royalty-free and non-assignable license (without the right of sub-license) to use all of the abovementioned trademarks ("**POWERGRID Trademarks**") in relation to our business throughout India and the rest of the world, including for the purposes of our logo. Similar agreements have also been entered on a bilateral basis between the Sponsor and each of the Initial Portfolio Assets, and between the Sponsor and the Investment Manager. The agreements between the Sponsor and the Initial Portfolio Assets are proposed to be terminated pursuant to the transfer of the equity shareholding of each of the Initial Portfolio Assets by the Sponsor to the Trust in exchange for Units, pursuant to the Share Purchase Agreements. For further details, please see the section entitled "*Formation Transactions in Relation to the Trust*" on page 22. The license granted to the Trust and the Investment Manager by the Sponsor may be terminated under certain circumstances, including (i) if the Trust or the Investment Manager attempts to sub-license, transfer or otherwise convey, without first obtaining the Sponsor's written consent, any of the rights granted to the Trust or the Investment Manager by or in connection with the trademark licensing agreement; (ii) if the Trust or the Investment Manager is wound up; (iii) if the Trust or the Investment Manager uses the POWERGRID Trademarks in a manner not expressly permitted by the trademark licensing agreement; (iv) if the Sponsor is neither the sponsor nor the project manager of the Trust; or (v) if none of the sponsor(s), investment manager and project manager of the Trust are associates or related parties of the Sponsor. Upon the termination of any license, the Trust will be required to cease and desist from all further use of the POWERGRID Trademarks and take all the necessary steps to transfer all the documents, products, goods and or services (services only if possible) to the Sponsor.

36. Our contingent liability could adversely affect our financial condition, results of operations and cash flows.

As of December 31, 2020, we had a contingent liability (as per Ind AS 37 – *Provisions, Contingent Liabilities and Contingent Assets*) for land compensation, disputed tax claims, claims by government and right of way and others in the amount of ₹ 220.57 million that had not been provided for. If any of our contingent liabilities materialise, it could have an adverse effect on our financial condition, results of operations and cash flows.

37. We will not receive any proceeds from the Offer for Sale.

The Offer comprises of an offer for sale of 27,41,50,800* Units aggregating to ₹ 27,415.08 million by the Selling Unitholder. The entire proceeds from the Offer for Sale will be paid to Selling Unitholder and we will not receive any such proceeds directly.

**Subject to finalisation of Basis of Allotment*

38. The Units proposed to be sold in the Offer for Sale have not yet come into existence

The Selling Unitholder does not currently own the Units that are proposed to be offered in the Offer as part of the Offer for Sale, nor have any Units been issued by us. These Units will be issued to the Selling Unitholder after the Bid/ Offer Closing Date and prior to the Allotment of the Units in the Offer in exchange for a certain portion of the equity shares held by the Selling Unitholders in each of the Initial Portfolio Assets. A portion of the Units are then proposed to be sold by the Selling Unitholder in the Offer. The Valuation Report has specified the fair enterprise value of the Initial Portfolio Assets as on December 31, 2020. The acquisition cost of the Initial Portfolio Assets has been determined after taking into consideration various factors, including the valuation of such assets in the Valuation Report and terms agreed to under the agreements entered into in relation to the formation transactions in relation to the Trust, as updated in this Final Offer Document. However, the price at which the Units of the Selling Unitholder are sold pursuant to the Offer for Sale are dependent on the Offer Price determined in accordance with the Book Building Process and are different from the valuation of the Units received by the Selling Unitholder pursuant to the Formation Transactions in relation to the Trust.

39. Significant disruptions of information technology systems or breaches of cyber security and data security could adversely affect our business.

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. We cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Any such security breaches could have an adverse effect on our business and reputation.

40. As of December 31, 2020, some of our trade receivables have been outstanding for over 90 days.

Our trade receivables primarily consist of receivables relating to provision of transmission services to DICs. Whilst the CERC Sharing Regulations provide for the due date of bills raised by the CTU to be 45 days from the date of presentation of such bills, some of our trade receivables were outstanding for over 90 days as on December 31, 2020. For further details, please see the section entitled "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager Affecting the Financial Condition, Results of Operations and Cash Flows – Trade Receivables*" on page 190. We cannot assure you on the timing of recovery of the receivables or that such trade receivables will be paid in part or at all, and that our future trade receivables will not be outstanding beyond the period prescribed under the CERC Sharing Regulations. Our inability to recover such trade receivables in a timely manner or at all may materially and adversely affect our business, financial condition, results of operations and cash flows.

RISKS RELATED TO OUR ORGANISATION AND STRUCTURE

41. Changes in government regulation could adversely affect our profitability, prospects, results of operations and ability to make distributions to our Unitholders.

Regulatory changes in India, particularly in respect of the InvIT Regulations and other taxation legislations such as the Finance Act, 2020, could expose us to greater tax liability than what our financial projections assume. The application of various Indian sales, value-added and other tax laws, rules and regulations to our services, currently or in the future, may be subject to differing or stricter interpretation by applicable authorities, which could result in an increase in our tax payments (prospectively or retrospectively) and/or subject us to penalties, which could affect our business operations and affect our ability to make distributions to our Unitholders. The InvIT Regulations also require us to maintain certain investment ratios, including the requirement that 80% of our investments comprise completed and revenue-generating assets in accordance with Regulation 18(5)(a) of the InvIT Regulations, which may prevent us from acquiring additional assets to achieve our growth strategy.

42. We depend on the Investment Manager, the Project Manager and the Trustee to manage our business and assets, and our financial condition, results of operations and cash flows and our ability to make distributions may be harmed if the Investment Manager and/ or Project Manager and/ or the Trustee fail to perform satisfactorily. Our rights and the rights of the Unitholders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.

The Sponsor will also be acting as the Project Manager in respect of the Trust under the Project Implementation and Management Agreement, and will be responsible for implementing, developing, operating, maintaining and managing our power transmission projects as per the terms and conditions of the respective operation and maintenance agreements and the InvIT Regulations. A subsidiary of the Sponsor, POWERGRID Unchahar Transmission Limited, will be acting as the Investment Manager in respect of the Trust under the Investment Management Agreement, in accordance with the InvIT Regulations. 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 aggregate maximum liability of the Project Manager under the Project Implementation and Management Agreement in each financial year is 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 except in the event that such liability arises out of any gross negligence, wilful default, wilful misconduct or fraud on the part of the Project Manager, as determined by a court of competent jurisdiction. If the Trustee is required by the InvIT Regulations or any applicable law to provide information regarding the Trust or the Sponsor or the Unitholders, the investments made by the Trust and income therefrom and provisions of such 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. The Trustee is also not liable 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. Further, the Trustee is not liable 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 Initial Portfolio 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 Trust Deed, as determined by a court of competent jurisdiction. The liability of the Trustee shall be limited to the extent of the fees received by it, in all circumstances whatsoever except (a) in case of any negligence or misconduct or fraud on the part of the Trustee as may be determined by a court of competent jurisdiction, or (b) any failure on the part of the Trustee to protect the interests of the Unitholders. The Investment Manager's liability to Trustee, its directors, employees and officers for breach of its obligations under the Investment Management Agreement in each financial year is limited to the aggregate fees paid to the Investment Manager for the immediately preceding financial year under the agreement, except in the event that such liability arises out of any gross negligence, wilful default or misconduct or fraud of the Investment Manager, as determined by the competent court of jurisdiction. Further, the Investment Manager is not liable for any act or omission which may result in a loss to a Unitholder (by reason of any depletion in the value of the Initial Portfolio Assets or otherwise), except in the event that such loss is a result of the Investment Manager's fraud or gross negligence or wilful default. Accordingly, the Unitholders may not be able to recover claims against the Project Manager, the Trustee or the Investment Manager.

If the management agreements 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 favourable than the ones currently offered by the Investment Manager and the Project Manager.

Further, the Trustee will not be permitted to suspend the payment of management fee to the Investment Manager, if any breach of the Investment Management Agreement by the Investment Manager is due to any change in applicable law, including any order of a court of competent jurisdiction, any force majeure event, or any circumstance beyond the control of the Investment Manager, or any action or inaction attributable to the Trustee which results in the inability of the Investment Manager to perform its duties under the Investment Management Agreement, and a notice of such event is provided by the Investment Manager to the Trustee within a period of 27 (twenty seven) business days from the occurrence of such event.

43. There may be conflicts of interest between the Trust, the Investment Manager, the Project Manager and the Sponsor.

The Sponsor, its subsidiaries and joint ventures are engaged in, among other things, the power transmission business. Further, the Sponsor/ Project Manager also provides consultancy services in relation to power transmission assets of third parties. All of these activities could significantly divert the time and resources of the Sponsor/ Project Manager and may adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, the Sponsor is also the holding company of the Investment Manager and therefore, may exercise influence over the activities of the Trust through the Investment Manager.

The Investment Manager, in addition to its role as the Investment Manager, is also engaged in the power transmission business and is not prohibited from entering into or bidding for projects in the power transmission business, which may compete with the nature of assets proposed to be acquired by the Trust. For instance, the Investment Manager is currently operating the 400 kV D/C transmission system for ATS of Unchahar TPS. Pursuant to the Investment Management Agreement, the Investment Manager may undertake other transmission projects in the future, subject to ensuring: (i) compliance with the InvIT Regulations; (ii) fair treatment of Unitholders; and (iii) that all appropriate disclosures, as may be required under the InvIT Regulations, are made to the Unitholders. There can be no assurance that such business and any future business in the same sector by the Investment Manager will not result in a conflict of interest between the Trust and the Investment Manager. The Sponsor and the Investment Manager are not contractually prohibited from competing against us for power transmission assets or businesses.

There can be no assurance that our interests will not conflict with those of the Investment Manager, Sponsor, its subsidiaries and Associates, in relation to matters including but not limited to future acquisitions of power transmission businesses.

44. 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 Share Purchase Agreements are related party transactions and if they had been negotiated solely amongst unaffiliated third parties, the terms may have been different. In addition, the Initial Portfolio Assets have in the past entered into transactions with the Project Manager in the ordinary course of their business and all such transactions have been conducted on an arm's length basis. Furthermore, it is likely that we will enter into additional related party transactions in the ordinary course of our business. Such transactions, individually or in the aggregate, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. For additional details, please see the sections entitled *"Related Party Transactions"*, *"Formation Transactions in Relation to the Trust"* and *"Parties to the Trust"* on pages 197, 22 and 92, respectively.

45. The Project Manager is involved in other businesses that require capital and other resources, and management attention, which in turn could place a burden on its resources and abilities.

The Project Manager is involved in diversified operations, such as providing low cost and high-quality telecom infrastructure, and may be exploring other opportunities in related sectors. Further, the Project Manager has also been engaged in international and domestic transmission and distribution consultancy services since 1995, and offers transmission and distribution consultancy services in relation to some or all parts of the projects carried out in India and abroad. Such businesses carried out by the Project Manager may divert the time taken by the Project Manager from our Portfolio Assets, take up additional management, financial and other resources of the Project Manager, and may be less remunerative compared to the execution of power transmission projects. This may affect its ability to act as a Project Manager, which may adversely affect our business, prospects, financial condition, results of operations and cash flows.

46. Upon completion of the Offer, the Sponsor may be able to exercise significant influence over activities of the Trust on which Unitholders are entitled to vote. The Sponsor's interests may be different from Unitholders.

Under the InvIT Regulations, upon completion of the Offer, the Sponsor must continue to own all of its Units for one year and must own 15% of the outstanding Units for three years from the date of listing of the Units, subject to the conditions specified in the InvIT Regulations. As a result, the Sponsor, the majority of whose paid-up equity share capital is held by the President of India, may be able to control the outcome of matters on which Unitholders are entitled to vote and for which the Sponsor is not prohibited from voting due to a conflict of interest. The interests of the Sponsor may be different from those of the Unitholders.

47. The Investment Manager and the Project Manager are not prohibited from providing management/ consultancy services to our competitors. This could give rise to conflicts of interest, which may have an adverse effect on our business.

The Investment Manager and the Project Manager will not be prohibited from providing management/ consultancy services to investment trusts or power transmission projects owned by third parties. Further, in relation to the transmission and distribution consultancy services provided by the Project Manager, some of our domestic competitors for awards in relation to power transmission projects are also currently suppliers of goods/ services to the Project Manager's consultancy projects. If either the Investment Manager or the Project 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 the Investment Manager or Project Manager may have an adverse effect on our business.

48. Our Initial Portfolio Assets, the Sponsor (and Project Manager), the Investment Manager and their respective Associates 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.

From time to time, our Portfolio Assets, the Investment Manager, the Project Manager, the Sponsor, 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. Any claims could result in litigation against us, the Investment Manager, the Project Manager, the Sponsor 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 Initial 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 Initial Portfolio Assets that are incidental to their business and operations, including certain criminal proceedings against certain of their directors and management. 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 defence. 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 Sponsor (also acting as the Project Manager) and its Associates and the Trustee are involved in litigation, claims and other proceedings relating to the conduct of their businesses, including compensation claims, civil matters, criminal matters and tax disputes. Any unfavourable decision in 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 such material litigation, please see the section entitled "*Legal and Other Information*" on page 215.

49. Parties to the Trust are required to satisfy 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 Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

Each of the Parties to the Trust is required to satisfy the eligibility conditions specified in the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsor, Investment Manager and Trustee are separate entities; (b) the Sponsor has a net worth of not less than ₹ 1,000 million and has 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 ₹ 100 million and has not less than five years' experience in fund management or advisory services or development in the infrastructure sector; (d) the Trustee is registered with SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an Associate of the Sponsor or Investment Manager; and (e) each of the Sponsor, Investment Manager, Project Manager and Trustee are "fit and proper persons" as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

50. The regulatory framework governing infrastructure investment trusts in India is relatively new and the interpretation and enforcement thereof involve uncertainties, which may have a material adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition and results of operations and our ability to make distributions to the Unitholders.

Since their enforcement in 2014, the InvIT Regulations have been amended and supplemented with additional guidelines and circulars. As the regulatory framework governing infrastructure investment trusts in India comprises a separate set of regulations, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts, including, but not limited to, follow-on public offers and bonus issues, the liabilities of the Unitholders, and the procedure for dissolution and delisting of infrastructure investment trusts have not yet been issued. For example, infrastructure investment trusts are not "companies" or "bodies corporate" within the meaning of the Companies Act, 2013 and various SEBI regulations, including the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeovers, insider trading and fraudulent and unfair trade practices) to the Trust is unclear.

Further, it is unclear whether certain categories of investors that are currently permitted to invest in equity shares offered by Indian companies, may also invest in the Units in the Offer. Further, while the recently notified Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019 ("**FPI Regulations**") which are effective from September 23, 2019 specify that foreign portfolio investors ("**FPIs**" as defined in the FPI Regulations) may invest in units of infrastructure investment trusts and an offshore derivative instrument may be issued overseas by a FPI that is categorised as a 'Category I foreign portfolio investor' under the FPI Regulations against "securities" held by it in India, as its underlying. Accordingly, the issuance of offshore derivative instruments overseas by FPIs against Units may not be permitted as Units may not be classified as "securities".

Infrastructure investment trusts operate in a relatively nascent regulatory environment. In addition, new costs may arise from audit, certification and/ or self-assessment standards required to maintain compliance with new and existing InvIT Regulations. Such changes in regulation, interpretation and enforcement may have a material adverse effect on our business, financial condition and results of operations.

As we operate in a nascent and relatively unclear regulatory environment as an infrastructure investment trust, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations will affect infrastructure investment trusts and the power sector in India, and no assurance can be given that the regulatory system will not change in a way that will impair our ability to comply with the regulations, conduct our business, compete effectively or make distributions. Failure to comply with changes in laws, regulations and standards may have a material adverse effect on our business prospects, financial condition, cash flows and results of operations.

51. 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. Additionally, if the aggregate consolidated borrowings of the Trust and the Portfolio Assets, net of cash and cash equivalents exceed 25%, for any further borrowings up to 49%, we are required to adhere to specific conditions, such as obtaining a credit rating and seeking Unitholder approval. For any further borrowings beyond 49%, we are required to comply with specific conditions prescribed under the InvIT Regulations, *inter alia*, obtaining prior approval from at least 75% of the Unitholders, and demonstrating a track record of at least six distributions on a continuous basis post listing of the Units, in the years preceding the financial year in which the enhanced borrowings are proposed to be made. The aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents of the Trust and the Portfolio Assets cannot exceed 70% of the value of the assets of the Trust. In addition, we must not invest more than 10% of the value of our assets in under-construction infrastructure projects. 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 subject to approval from the Unitholder). 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.

52. 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 in a timely manner or at all.

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 the Trust; (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; a€(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.

53. The InvIT Regulations allow for sponsors of listed infrastructure investment trusts ("InvITs") to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that our Sponsor will not exercise its ability to be classified as the Sponsor of the Trust.

The InvIT Regulations, pursuant to amendments made in June 2020, permit sponsors of listed infrastructure investment trusts to be declassified from the status of sponsors subject to compliance with the following conditions:

(i). The units of the relevant InvIT should have been listed on the stock exchanges for a period of three years;
(ii). The unitholding of such sponsor and its associates taken together should not exceed 10.00% of the outstanding units of the relevant InvIT;
(iii). The investment manager of the relevant InvIT is not an entity controlled by such sponsor or its associates; and
(iv). approval of unitholders has been obtained in accordance with the InvIT Regulations.

There can be no assurance that in the future, our Sponsor, upon fulfilment of the aforementioned conditions or any other conditions that SEBI prescribes for declassifications of sponsors, will not exercise its ability to declassify itself from the status of our Sponsor.

54. Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Investment Manager and the Trust.

The AIFMD regulates the activities of certain private fund managers undertaking fund management activities or marketing fund interests to investors within the European Economic Area (the "**EEA**") (the EEA comprises the member states of the European Unions and Norway, Iceland and Lichtenstein). In that regard, the AIFMD is intended to apply additional regulation and operating requirements to:

- alternative investment fund managers ("**AIFM**") with their registered offices in the EEA; and
- non-EEA AIFMs that manage EEA alternative investment funds ("**AIFs**") or actively market AIFs to investors resident, domiciled or with a registered office in the EEA.

As used herein, the "AIFMD" refers to Directive 2011/61/EU of the European Parliament and of the Council of June 8, 2011 on Alternative Investment Fund Managers, together with EU Commission delegated Regulation (EU) No. 231/2013 of December 19, 2012, supplementary Directive 2011/61/EU of the European Parliament and of the Council, and the national laws transposing Directive 2011/61/EU in any EEA Member State in which the Trust is marketed. On January 31, 2020, the UK left the EU and entered a transition period that ran till December 31, 2020. Following completion of the transition period, the UK fund and UK fund managers cease to have establishment or marketing passporting rights into other EEA states under AIFMD. The ability of UK funds and fund managers to be marketed into EEA states will depend on the individual law and regulation applicable in each such EEA state. During 2021 it is expected that the UK and EU will discuss an equivalence regime whereby certain mutual rights and obligations may enable a more permissive marketing approach for UK funds and fund managers.

Among other things, the AIFMD regulates and imposes regulatory obligations in respect of the active marketing in the EEA by AIFMs (irrespective of whether they have their registered office in an EEA Member State or elsewhere) of AIFs (whether established in an EEA Member State or elsewhere). Many of the provisions of the AIFMD require the adoption of delegated acts and regulatory technical standards, as well as the establishment of guidelines. The deadline for the transposition of the AIFMD into the laws of each of the member states of the EEA was July 22, 2013, although many EEA member states took longer to adopt national legislation or otherwise implement the AIFMD in their jurisdiction. Most, but not all, EEA member states have published the relevant acts, standards and guidelines. Where these acts, standards and guidelines have been implemented, their practical application is still subject to clarification or completion. Regulatory changes arising from the transposition of the AIFMD into national law that impair the ability of the Investment Manager to manage the investments of the Trust, or limit the Investment Manager's ability to market Units in the future, may require increased compliance efforts and associated expenses, or otherwise may materially and adversely affect the Trust's ability to carry out its investment strategy and achieve its investment objectives.

The Investment Manager is a Non-EEA AIFM for the purposes of the AIFMD. Non-EEA AIFMs are currently not able to become authorised under the AIFMD. In order to market to investors resident, domiciled or with a registered office in the EEA, non-EEA AIFMs must market AIFs in accordance with the applicable national private placement regimes of the EEA member states in which they wish to market and comply with a sub-set of requirements under the AIFMD (which are much more limited in scope than those applicable to AIFMs that are established in the EEA). Such limited requirements are: (i) "point-of-sale" disclosures (as to which, please see Annexure C), (ii) ongoing investor disclosures required pursuant to Articles 23(4) and (5) of the AIFMD (as to which, please see below), (iv) provision of information relating to the Trust's investments and its assets under management to the regulators of any EEA Member State into which Units in the Trust are actively marketed, and (v) the "asset-stripping" rules (in the event that the Trust acquires control of an EEA based portfolio company).

The information in respect of the Trust required to be disclosed pursuant to Articles 23(4) and (5) of the AIFMD will be made available to each Unitholder, as follows: (a) the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature will be notified to the Unitholders; (b) any new arrangements for managing the liquidity of the Trust will be provided without undue delay in a disclosure notice delivered to each Unitholder; (c) the current risk profile of the Trust and the risk management systems employed by the Investment Manager to manage those risks may be provided in each annual report of the Trust; (d) any changes to the maximum level of leverage which the Investment Manager may employ on behalf of the Trust, as well as any right of the reuse of collateral or any guarantee granted under the leveraging arrangement, will be provided without undue delay in a disclosure notice delivered to each Unitholder; and (e) the total amount of leverage employed by the Trust may be provided in each annual report of the Trust.

In addition, it is possible that some EEA member states will elect in the future to restrict or prohibit the marketing of non-EEA AIFs to investors based in those jurisdictions. Any such restrictions or prohibitions may make it more difficult for the Trust to raise its targeted amount of commitments.

In light of the foregoing, the AIFMD could have an adverse effect on the Investment Manager or the Trust by, among other things, increasing the regulatory burden and costs of doing business in the EEA members states, imposing extensive disclosure obligations on companies located in EEA member states, if any, in which The Trust invests, and potentially disadvantaging the Trust as an investor in portfolio companies located in EEA member states as compared to competitors (e.g., those not in the alternative investment space) that may not be in scope of the AIFMD.

55. The Alternative Investment Fund Managers Directive may impose requirements on or restrict the use of leverage by the Trust and the Investment Manager.

Although the Investment Manager will seek to use leverage in relation to the Trust 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 the Trust or appreciation of its investments. An increase in interest rates may decrease the profitability of the Trust 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 the Trust's investments. If a portfolio company is not able to generate adequate cash flow to meet debt service, the Trust 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 the Trust's Financial Policy and the Trust Deed) in the first annual reports of the Trust (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 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 the Trust. The Investment Manager will also disclose to Unitholders on an annual basis (whether in the annual reports of the Trust or otherwise) the percentage of the Trust's assets which are subject to special arrangements arising from their illiquid nature, any new liquidity management arrangements, the current risk profile of the Trust and the risk management systems employed to manage those risks.

56. 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 prior 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. Accordingly, the Unitholders may face difficulties in removing and replacing the Trustee or the Investment Manager. Further, under the InvIT Regulations, prior approval of SEBI is required for change in the Investment Manager of the Trust.

57. Premises from where the Investment Manager carries out its operations in relation to the Trust is not owned by the Investment Manager.

The correspondence address of the Investment Manager is located on premises which are not owned by the Investment Manager. While the Investment Manager has entered into a formal registered lease deed with the Sponsor dated February 20, 2020 for use of the premises (including the Sponsor's information technology systems including hardware and software as set out in the lease deed) for an initial period of five years starting March 1, 2020, in the event the use of such premises is in breach of the applicable law or the terms and conditions set out in the lease deed, the Investment Manager could be subject to adverse consequences. As these premises are also the principal place of business of the Trust, any such action could adversely affect the business operations, financial condition and results of operations of the Investment Manager and the Trust.

58. Our Sponsor has in the past and presently engages, and we may engage, in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.

Our Sponsor has three business segments: transmission, telecommunications and consultancy. Revenue from transmission and telecommunications arise from operations entirely in India. For Fiscal 2020, consultancy operations contributed 1.33% of the total revenue of the Sponsor, and the contribution of international business to our Sponsor's total revenue was 0.13%. None of the clients with whom international business was conducted in Fiscal 2020 by our Sponsor were from countries that are the subject of U.S. and other sanctions.

Our Sponsor has, in the past, engaged in transactions with countries or persons that were subject to U.S. and other sanctions at the time of entering into or undertaking such transactions. Further, our Sponsor is presently one of the constituents of the joint technical team, from GoI, that is conducting feasibility studies with the Government of Myanmar for the establishment of low and high capacity interconnections between India and Myanmar to facilitate power supply to Myanmar. There can be no assurance that the countries with which the Sponsor currently engages or will engage in future will not be subject to further and more restrictive sanctions in the future.

U.S. law generally prohibits or restricts U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries or territories and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. Although we have not been notified that any penalty or other measures have been imposed, there can be no assurance that we will be able to fully monitor all of our transactions for any such potential violation.

We can provide no assurances that our future business will be free of risk under sanctions implemented against such jurisdictions or that we will conform our business to the expectations and requirements of authorities of any government that does not have jurisdiction over the business but nevertheless asserts the right to impose sanctions on an extraterritorial basis. Further, investors in the Units could incur reputational or other risks as a result of our dealings in or with countries or with persons that are the subject of U.S. or other applicable economic or similar sanctions. In addition, because many sanctions programs are evolving, new requirements or restrictions could come into effect which might increase regulatory scrutiny of our business or result in one or more of our business activities being deemed to have violated sanctions, or being sanctionable.

RISKS RELATED TO INDIA

59. Our results may be adversely affected by the outbreak of the Novel Coronavirus ("COVID-19") and can be adversely affected by other future unforeseen events, such as adverse weather conditions, natural disasters, terrorist attacks or threats, future epidemics or pandemics or other catastrophic events.

Unforeseen events, such as adverse epidemics, pandemics, weather conditions, natural disasters, threatened or actual armed conflicts, terrorist attacks, efforts to combat terrorism or other catastrophic events can adversely impact our business. We cannot predict the affect any such events will have on our business, prospects, financial condition, results of operations, cash flows, future operations and performance.

The World Health Organization declared COVID-19 outbreak a Public Health Emergency of International Concern on January 30, 2020, and a pandemic on March 11, 2020. The rapid and diffused spread of COVID-19 and global health concerns relating to this pandemic have had a severe negative impact on, among other things, financial markets, liquidity, economic conditions and trade and could continue to do so or could worsen for an unknown period of time. The extent to which the COVID-19 outbreak impacts our business, 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 both in India and internationally, 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.

Further, in the Valuation Report, the Valuer has highlighted that the outbreak of COVID-19 has adversely affected the global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat the COVID-19 pandemic and to support the economic and business activities. The outbreak of COVID-19 has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, value analysis is reported on the basis of 'material valuation uncertainty' and accordingly, less certainty and a higher degree of caution should be attached to the value analysis than would normally be the case. The Valuation Report further notes that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID-19.

If the outbreak of this virus, or any other similar outbreak, continues for an extended period, occurs again and/or increases in severity, it could have an adverse effect on economic activity in India, and could materially and adversely affect our business, financial condition and results of operations. Similarly, any other future epidemics/ pandemics in India or elsewhere could materially and adversely affect our business, prospects, financial condition, results of operations, cash flows, future operations and performance.

60. 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. Since the use of our transmission systems, our expansion plans and future power transmission 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. 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.

61. 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 the recent global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions, especially in U.S., Europe and China, 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. The rate of economic liberalisation 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 transmission industry, there can be no assurance that the GoI's engagement with and outreach to private sector operators, including the Trust, will continue in the future. A significant change in India's economic liberalisation and deregulation policies, in particular, those relating to the power transmission industry, could disrupt business and economic conditions in India generally and our business in particular. In addition, adverse developments in the Indian economy could also impact companies and banks that provide services to us. For example, on March 5, 2020 and November 17, 2020, respectively, the GoI, in consultation with RBI placed Yes Bank Limited and Lakshmi Vilas Bank under moratorium, imposed limitations on their operations as well as on withdrawals by depositors and payments to creditors over certain specified amounts for a limited period of time from the date of such moratorium coming into effect. The limitations on operations and the moratorium were subsequently lifted in both cases. The occurrence of any such development in the future may impact our banking channels, and we may or may not be able to recover our deposits, in part or in full. This could result in potential write-offs on our books of accounts, and materially and adversely affect the business, prospects, financial condition, results of operations and cash flows.

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.

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

Our revenues are in Indian rupees, and currently there are no interest payments and loan repayments in foreign currency in relation to debt availed for utilisation at the Initial Portfolio Assets. 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, if we raise foreign currency debt in future, 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.

63. *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.*

Flows to foreign exchange reserves can be volatile, and past declines have adversely affected the valuation of the Indian rupee. During the first half of 2014, emerging markets including India, witnessed significant capital outflows due to concerns regarding the withdrawal of quantitative easing in the U.S. and other structural factors in India such as high current account deficits and lower growth outlook. As a result, the Indian rupee depreciated significantly. To manage the volatility in the exchange rate, the RBI took several measures including increasing the marginal standing facility rate by 200 basis points and reducing domestic liquidity. The RBI also subsequently announced measures to attract capital flows, particularly targeting the non-resident Indian community. The RBI intervened again in February 2016 as a result of increased volatility of the exchange rate. Depreciation of the Indian rupee in 2018 led to RBI further intervening and increasing the interest rates. Any increased intervention 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.

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

Each of the Initial 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 and the trading price of our Units may be adversely affected by the social, economic and political conditions in India and its neighbouring 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 nationalisation 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, the fiscal and economic policy, industrial policy, direct and indirect taxes and the export-import policy; and
- changes in state specific regulation and conditions.

Pandemics, such as the outbreak of the COVID-19, and natural disasters such as floods, earthquakes or famines, events and conditions linked to climate change 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 and adversely affect our business, prospects, financial condition, results of operations and cash flows.

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

India's sovereign rating decreased from Baa2 with a "negative" outlook to Baa3 with a "negative" outlook by Moody's and from BBB with a "stable" outlook to BBB with a "negative" outlook (Fitch) in June 2020. India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. 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. 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.

66. *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 recent years has adversely affected the Indian economy. Any such financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one 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 more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. These and other related events have had a significant adverse impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. Further, economic developments globally can have a significant impact on our principal markets. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. 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 effect 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, financial condition, results of operation, and cash flows. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations, and cash flows, and reduce the price of the Units.

67. *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 transmission charges is linked to inflation, there can be no assurance that increased escalable transmission charges 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. Inflation may also have an impact on interest rates, which can affect our profitability.

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

The Combined Financial Statements included in this Final Offer Document are prepared and presented in conformity with Ind AS, consistently applied during the periods stated in those reports, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Final Offer Document to any other principles or to base the information on any other standards. 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 Combined Financial Statements included in this Final Offer Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Final Offer Document.

Ind AS has certain differences with IFRS and Indian GAAP. In addition, as the mandated transition to Ind AS is very recent, there is no significant body of established practice from which we can draw on in forming judgments regarding the implementation and application of Ind AS, as compared to established IFRS or Indian GAAP generally, or in respect of specific industries, such as the power transmission industry.

69. Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations.

The GoI has announced the union budget for the Fiscal 2021 and the Finance Act, 2020 has been granted assent by the President of India on March 27, 2020. The Finance Act has amended the definition of 'business trusts', and also abolished the dividend distribution tax regime as applicable to companies and has shifted the incidence of taxation of dividend on the shareholder or unitholders. For further details, please refer to the risk factor titled "*– Bidders may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units*" on page 81 below.

There have been two recent major reforms in Indian tax laws, namely the introduction of the Goods and Services Tax ("**GST**") and provisions relating to general anti-avoidance rules ("**GAAR**"). The GST regime came into effect on July 1, 2017, combining taxes and levies by the Government and State Governments into a unified rate structure.

Additionally, there is limited clarity on the availability of input tax credit, and any unfavourable orders in this regard may have a material adverse impact on our financial position and cash flows. Further, any application of existing law or future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

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 by the governmental or tax authorities, may result in tax risks being significantly higher than expected.

The GAAR regime came into effect on April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to the Trust or any member of the Trust, it may have a material adverse tax impact on the Trust.

Such transactions are declared as impermissible avoidance arrangements and the consequence in relation to tax arising from such arrangements, including denial of a tax benefit or a benefit under a tax treaty, shall be determined according to the circumstances of the case. The rules notified with respect to GAAR prescribe that these shall not be applicable to FIIs in accordance with the SEBI (Foreign Institutional Investors) Regulations, 1995 subject to the fulfilment of certain conditions. GAAR may have a material adverse tax impact on the Trust, the Sponsor and the Unitholders.

The Investment Manager has not determined the impact of such existing or proposed legislations on our business. 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 impact the viability of our current business or restrict our ability to grow our business in the future.

70. Unitholders may not be able to enforce a judgment of a foreign court against the Trust or the Investment Manager.

The enforcement of civil liabilities by overseas investors in the Units, including the ability to effect service of process and to enforce judgments obtained in courts outside of India, may be adversely affected by the fact that (i) the Trust is constituted under the laws of the Republic of India, (ii) the Investment Manager is a limited liability company incorporated under the laws of the Republic of India, (iii) the directors and key personnel of the Investment Manager reside in India and (iv) all of the assets of the Trust and the Investment Manager are located in India. All of the assets of the Trust and the assets of the Directors are also located in India. As a result, it may be difficult to serve process upon the Trust, the Investment Manager or any of these persons outside of India or to enforce in India judgments obtained against such persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13, Section 14 and Section 44A of the Civil Procedure Code. The GoI has, under Section 44A of the Civil Procedure Code, notified certain countries as reciprocating countries. Section 13 of the Civil Procedure Code provides that a foreign judgment will be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force then in India. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India, which the GoI has, by notification, declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. However, the United States has not been declared by the GoI to be reciprocating territories for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

There may be considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment which could be subject to foreign exchange risk. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed of in a timely manner or subject to considerable delays.

71. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 ("Competition Act") could adversely affect our business.

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, 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 combination occurring outside India if such agreement, conduct or combination has 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 Initial 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, if we are 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 if any prohibition or substantial penalties are levied under the Competition Act, it could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

RISKS RELATED TO THE OFFER AND THE UNITS

72. The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.

The Trust is an irrevocable trust registered under the Indian Registration Act, 1908 and it may only be extinguished: (i) if it is impossible to continue with the Trust or if the Trustee, on the advice of the Investment Manager, deems it impracticable to continue with us; (ii) on the written recommendation of the Investment Manager and upon obtaining the prior written consent of such number of the Unitholders as is required under the InvIT Regulations; (iii) if our Units are delisted from the Stock Exchanges; (iv) if the SEBI passes a direction to wind up the Trust or the delisting of the Units; or (v) in the event our activities are rendered illegal. Should the Trust be dissolved, depending on the circumstances and the terms upon which our assets are disposed of, there is no assurance that our Unitholder will recover all or any part of its investment.

73. The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to our Unitholders may be more limited than those made to or available to shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.

The InvIT Regulations, along with the guidelines and circulars issued by the SEBI from time to time, govern the infrastructure investment trusts in India. However, as compared with the statutory and regulatory framework governing companies that have listed their equity shares or debt securities on recognised stock exchanges in India, the regulatory framework applicable to infrastructure investment trusts is relatively nascent and thus, still evolving. While the InvIT Regulations were notified with effect from September 26, 2014, the guidelines and procedures in relation to a public issue of units by an infrastructure investment trust were only notified by the SEBI by way of a circular dated May 11, 2016 (as amended on January 15, 2019), and norms in relation to continuous disclosures and compliances were notified by SEBI on November 29, 2016.

Accordingly, the ongoing disclosures made to our Unitholders under the InvIT Regulations may differ from those made to shareholders of a company that has listed its equity shares on a recognised stock exchange in India in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Further, the rights of our Unitholders may not be as extensive as the rights of shareholders of a company that has listed its equity shares on a recognised stock exchange in India, and accordingly, the protection available to our Unitholders may be more limited than those available to such shareholders.

74. The sale or possible sale of a substantial number of Units by the Sponsor in the public market following the lapse of its lock-in requirement as prescribed under the InvIT Regulations could adversely affect the price of the Units.

Under the InvIT Regulations, the Sponsor is required to hold a minimum of 15% of our Units for a minimum period of three years from the date of listing pursuant to this Offer and the balance of its unitholding in the Trust is required to be locked in for a period of one year from the date of listing of the Units.

The Units are proposed to be listed on NSE and BSE. If the Sponsor, following the lapse of either of the aforesaid lock-in periods directly or indirectly sells or is perceived as intending to sell a substantial number of its Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be adversely affected.

75. No investors are permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the InvIT Regulations and SEBI guidelines, investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid, notwithstanding adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, or otherwise, at any stage after the submission of their Bids.

76. Under Indian law, foreign investors are subject to restrictions that limit their ability to transfer or redeem Units, which may adversely impact the trading price of the Units.

Under foreign exchange regulations currently in force in India, transfers of units between non-residents and residents are permitted, subject to certain exceptions, if they comply with the pricing and reporting requirements specified by RBI. If a transfer of units is not compliant with such pricing or reporting requirements and does not fall under any of the exceptions specified by RBI, then RBI’s prior approval is required.

Additionally, unitholders who seek to convert Indian rupee proceeds from a sale of units in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

We cannot assure you that any required approval from RBI or any other Governmental agency can be obtained on any particular terms or in a timely manner, or at all.

Our Unitholders will not have the right to redeem or request the redemption of our Units while our Units are listed on the Stock Exchanges. In terms of the InvIT Regulations, an infrastructure investment trust may redeem units only by way of a buyback or at the time of delisting of units and may be subject to additional conditions and restrictions under Indian regulations.

77. After the Offer, the Units may experience price and volume fluctuations or an active trading market for the Units may not develop.

There has been no public market for our Units prior to the Offer and an active trading market for the Units may not develop or be sustained after the Offer. Further, the price at which the Units are initially traded may not correspond to the prices at which the Units will trade in the market subsequent to the Offer. Listing and quotation does not guarantee that a trading market for the Units will develop, or if a market does develop, that there will be liquidity of that market for the Units. Accordingly, the Unitholders should view the Units as illiquid and must be prepared to hold these Units for an indefinite period of time.

The Offer Price will be determined by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers. The Offer Price may not be indicative of the market price of the Units upon listing. The price of the Units may fluctuate after the Offer as a result of several factors, including volatility in the Indian and global securities markets, the results of our operations, the performance of our competitors, developments in the Indian transmission sector, changing perceptions in the market about investments in the Indian transmission sector, adverse media reports on our transmission systems or the Indian transmission sector, changes in the estimates of our performance or recommendations by financial analysts, significant developments in India's economic liberalisation and deregulation policies, and significant developments in India's fiscal regulations.

The trading price of the Units might also decline in reaction to events that affect the entire market and/ or other companies in the Indian power transmission industry even if these events do not directly affect or are unrelated to our business, financial condition, cash flows or operating results.

If the market price of the Units declines significantly, investors may be unable to resell their Units at or above their purchase price, if at all. There can be no assurance that the market price of the Units will not fluctuate or decline significantly in the future.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in the Trust.

78. There is no assurance that our Units will remain listed on the stock exchange.

Although it is currently intended that the Units will remain listed on BSE and NSE, there is no guarantee of the continued listing of the Units. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Unitholders will not be able to sell their Units through trading on the Stock Exchanges if the Units are no longer listed on the Stock Exchanges. While the InvIT Regulations state that we must provide Unitholders with an exit prior to delisting, the specific mechanism of such delisting and related exit offer has not yet been finalised by the SEBI. Further, under the InvIT Regulations, we are required to maintain a minimum of 20 Unitholders (other than the Sponsor, its related parties and its associates) at all times after the listing of the Units pursuant to the Offer and certain minimum public holding requirements. Failure to maintain such minimum number of Unitholders or public holding may result in action being taken against us by the SEBI and the Stock Exchanges, including the compulsory delisting of our Units.

79. The Offer Price of the Units may not be indicative of the market price of the Units after the Offer.

The Offer Price of the Units is determined following a book building process by agreement between the Trustee and the Lead Managers and may not be indicative of the market price for the Units after the completion of the Offer. The Units may trade at prices significantly below the Offer Price after the Offer. The trading price of the Units will depend on many factors, including:

- the perceived prospects of our business and the power transmission industry;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of our assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the infrastructure industry;
- the balance of buyers and sellers of the Units;
- the future size and liquidity of the Indian infrastructure investment trust market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Indian infrastructure investment trusts;
- the ability on our part to implement successfully its investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including weakness of the equity markets and increases in interest rates.

For these reasons, among others, the price of Units may fluctuate. To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on our part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, the Units are not capital-protected products and there is no guarantee that Unitholders can regain the amount invested. If the Trust is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.

80. Rights of Unitholders under Indian law may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and unitholders' rights may differ from those that would apply to a company in another jurisdiction. Unitholders' rights under Indian law may not be as extensive as Unitholders' rights under the laws of other countries or jurisdictions. Unitholders may have more difficulty in asserting their rights as unitholder in an Indian entity than as unitholder of a corporation in another jurisdiction.

81. Unitholders may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units

Under current Indian tax laws, units of a business trust held for more than 36 months are considered as long term capital assets. In case of sale of such units through a recognised stock exchange in India and subject to payment of securities transaction tax ("**STT**"), any gain arising in excess of ₹ 0.10 million is subject to long term capital gains tax at a concessional rate of 10% (plus applicable surcharge and cess). However, if the said units are sold in any other manner, the same shall be subject to long term capital gains tax at the rate of 20% with indexation benefit (plus applicable surcharge and cess).

In case the units are held for less than or up to 36 months, the same shall be regarded as short term capital asset. Any gain arising in case of sale of such units through a recognised stock exchange in India and subject to payment of STT, is subject to short term capital gains tax at concessional rate of 15% (plus applicable surcharge and cess). However, if the said units are sold in any other manner, the same shall be subject to short term capital gains tax at applicable tax rates of the holder (plus applicable surcharge and cess).

The aforesaid taxability in India is subject to tax treaty benefits in the case of a non-resident holder.

The Finance Act, 2020 amended the Income Tax Act to abolish the dividend distribution tax regime and shift the incidence of taxation of dividend (declared or distributed on or after April 1, 2020) to the unitholder. Under the Finance Act, 2020, a distribution made by a business trust, being in nature dividend income received from a special purpose vehicle, will not be subject to tax in the hands of a unitholder, so long as the special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the Income Tax Act. Similarly, a business trust (which includes an infrastructure investment trust) will not be required to withhold tax on any distributions which are in the nature of dividend income received from a special purpose vehicle, so long as such special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the Income Tax Act. However, where the special purpose vehicle opts to pay tax under Section 115BAA of the Income Tax Act, dividend income distributed by the business trust would be taxed in the hands of a non-resident unitholder at 20% (plus applicable surcharge and cess) or the applicable treaty rate and at the ordinary rate for a resident unitholder. Further, the business trust would be required to withhold tax on such distributions made from dividend received from the special purpose vehicle. Thus, the taxability of dividends distributed by the Trust will depend on the taxation regime opted by the Initial Portfolio Assets.

Further, the Government of India has notified the Finance Act, 2021 ("**Finance Act**") which has introduced various amendments to taxation laws in India. The Finance Act has included definition of 'pooled investment vehicle' under the Securities Contracts (Regulation) Act, 1956, which shall comprise business trusts as defined under the IT Act. The IT Act defines business trusts to include trusts registered with SEBI as an InvIT under the InvIT Regulations. The Finance Act and the amendments in the Securities Contracts (Regulation) Act, 1956 which have come into effect from April 1, 2021 have also recognised units, debentures and other instruments issued by InvITs as 'securities' which may have further implications under various regulations issued by SEBI governing securities, including under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended.

Further, as announced in the previous budget, the dividend distribution tax regime was abolished and replaced with dividend withholding tax regime. However, the procedural provisions regarding exemption of withholding tax in relation to dividend distribution by Special Purpose Vehicles (SPVs, as defined under IT Act) to InvIT were absent. In this regard, the Finance Act has exempted withholding of taxes on dividend distributions by SPVs to InvITs. Please note that such amendment is proposed to take effect retrospectively from April 1, 2020.

Furthermore, the Trust might not be able to pay or maintain the levels of distributions or ensure that the level of distributions will increase over time, or that future acquisitions will increase the Trust's distributable free cash flow to the Unitholders. Any reduction in, or elimination or taxation of, payments of distributions could materially and adversely affect the market price of the Units.

82. Unitholders should consider the impact of U.S. Foreign Account Tax Compliance Act withholding.

Pursuant to Sections 1471 to 1474 of the Internal Revenue Code of 1986 and the regulations promulgated thereunder ("**FATCA**") if (i) we become a "participating foreign financial institution" and (ii) our Units are not treated as "regularly traded on an established securities market" within the meaning of FATCA, then we and other financial institutions through which payments are made may be required to withhold tax at the rate of 30% on all or a portion of distributions paid after December 31, 2016 (at the earliest) which are treated as "foreign pass-thru payments" to an investor or any other non-U.S. financial institution through which payment on the Units is made that is not in compliance with FATCA or does not provide us (or other relevant intermediary) information sufficient to determine whether the investor is subject to withholding under FATCA. Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our Units.

83. U.S. holders should consider the impact of the "passive foreign investment company" rules in connection with an investment in the Units.

A non-U.S. corporation will be treated as a passive foreign investment company ("**PFIC**"), for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75 percent of its gross income is "passive income" or (ii) at least 50 percent of the value of its gross assets during the taxable year (based on the average of the fair market values of the assets determined at the end of each quarter in such taxable year) are "passive assets", which generally means that they produce passive income or are held for the production of passive income.

Although not free from doubt, we do not believe that we should be treated as, and do not expect us to become, a PFIC for U.S. federal income tax purposes for the financial year ended March 31, 2020. However, no assurance can be given that we will not be considered a PFIC in the current or future years. The determination whether or not we are a PFIC is a factual determination that is made annually (after the close of each taxable year) based on the types of income we earn and the value of our assets. If we were currently or were to become a PFIC, U.S. holders of Units would be subject to special rules and a variety of potentially adverse tax consequences under the Code.

84. The Trust and the Initial Portfolio Assets may be subject to certain tax related risks under the provisions of the Income Tax Act.

Shortfall in the determination of fair market value of the equity shares at the time of transfer of the Initial Portfolio Assets to the Trust may be subject to taxation in the hands of the acquirer. Certain percentage of the equity shares of the Initial Portfolio Assets have been transferred to the Trust, whereas the balance percentage of equity shares of the Initial Portfolio Assets are proposed to be transferred upon expiry of lock-in conditions, as provided for in the relevant TSAs. Under the provisions of section 56(2)(x) of the Income Tax Act, where a purchase of shares is undertaken at a value which is lower than the fair market value of the shares, such shortfall in value is subject to be taxed as income from other sources in the hands of the acquirer. The manner of determination of fair market value as provided under the Income Tax Rules, 1962, includes the value determined by net asset method, subject to the prescribed adjustments.

The Trust is under an obligation to distribute to the Unitholders, the surplus of the income earned from receipt of cash flows from the interest and dividend received from the Initial Portfolio Assets, after the deduction of the various expenses incurred in connection with earning such income and general-purpose expenses. The provisions of the Income Tax Act provide that the Trust should disclose the nature of the amount distributed to the Unitholders, i.e., whether from dividends received from the Initial Portfolio Assets, interest income earned, etc. However, there is lack of clarity on the method to be adopted by the Trust for the allocation of various expenses incurred towards earning each specific stream of income by the Trust.

85. The Ministry of Finance, GoI, has constituted a task force to draft new direct tax legislation, the provisions of which may have an unfavourable implication for us.

The Ministry of Finance, GoI, has set up a panel to review the Income Tax Act and to draft a new direct tax legislation ("**Panel**"). The Panel has been tasked with drafting appropriate direct tax legislation aimed at (i) aligning India's domestic direct tax regime in line with international best practices; and (ii) ensuring and encouraging compliance. The impact of the report by the Panel, including findings and recommendations in their report and the provisions of the proposed direct tax legislation could have an unfavourable implication on us. Since the Panel and its report, including their recommendations and the draft of the new direct tax legislation has not been released yet, the possible impact on us is not clear.

GENERAL INFORMATION

POWERGRID Infrastructure Investment Trust

POWERGRID Infrastructure Investment Trust ("**Trust**") was settled on September 14, 2020, in New Delhi pursuant to the Trust Deed as an irrevocable trust in accordance with the Indian Trusts Act, 1882. The Trust was registered with SEBI on January 7, 2021 under Regulation 3(1) of the InvIT Regulations and has obtained a certificate of registration from SEBI bearing number IN/InvIT/20-21/0016. The principal place of business of the Trust is situated at Plot No-2, Sector-29, Gurgaon 122 001.

The Trust is an infrastructure investment trust established for making investments in special purpose vehicles as defined under Regulation 2(1)(zy) of the InvIT Regulations, or infrastructure projects or securities of Indian companies engaged in the infrastructure sector, as may be permitted in terms of Regulation 18(5) of the InvIT Regulations. For information on the background of the Trust and the description of the InvIT Assets, please see the sections entitled "*Overview of the Trust*" and "*Our Business*" on pages 20 and 138, respectively.

Compliance Officer of the Trust

The Compliance Officer is Anjana Luthra. Her contact details are as follows:

Anjana Luthra
Plot No.-2, Sector-29
Gurgaon 122 001
Tel: +91 124 282 3177
Fax: +91 124 282 3180
E-mail: investors@pginvit.in

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

The Sponsor - Power Grid Corporation of India Limited

Registered office:

B-9, Qutab Institutional Area
Katwaria Sarai
New Delhi 110 016

Correspondence address:

Plot No-2, Sector-29
Gurgaon 122 001

Contact Person of the Sponsor

Mrinal Srivastava, the Company Secretary and Compliance Officer of the Sponsor, is the contact person of the Sponsor. His contact details are as follows:

Mrinal Srivastava
Plot No.-2, Sector-29
Gurgaon 122 001
Tel: +91 124 282 2077
Fax: +91 124 282 1969
Email: mrinal@powergrid.in
Website: www.powergrid.in

The Investment Manager - POWERGRID Unchahar Transmission Limited

Registered office:

B-9, Qutab Institutional Area
Katwaria Sarai
New Delhi 110 016

Correspondence address*:*

Plot No-2, Sector-29
Gurgaon 122 001
Tel: +91 124 282 3177
Fax: +91 124 282 3180
Email: investors@putl.in
Contact Person: Anjana Luthra
Website: www.putl.in

The Project Manager – Power Grid Corporation of India Limited

Registered office*:*

B-9, Qutab Institutional Area
Katwaria Sarai
New Delhi 110 016

Correspondence address*:*

Plot No-2, Sector-29
Gurgaon 122 001
Tel: +91 124 282 2000
Fax: +91 11 257 1762
Contact Person: Mrinal Srivastava
Email: mrinal@powergrid.in
Website: www.powergrid.in

The Trustee – IDBI Trusteeship Services Limited

Registered Office and correspondence address

Asian Building, Ground Floor
17, R. Kamani Marg
Ballard Estate
Mumbai 400 001
Tel: +91 22 4080 7000
Fax: +91 22 6631 1776
E-mail: rmitra@idbitrustee.com / paridhi@idbitrustee.com
Contact Person: Ritobrata Mitra / Paridhi Doshi
Website: www.idbitrustee.com

Other Parties involved in the Trust

Auditor

S.K. Mittal & Co.
Chartered Accountants
Mittal House
E-29, South Extension Part-11
New Delhi 110 049
Tel: +91 11 26258517
Fax: +91 11 26255204
E-mail: gaurav@skmittal.co.in
Contact Person: Gaurav Mittal
Firm Registration No: 001135N
Peer Review No.: 011452

Valuer

RBSA Valuation Advisors LLP
Unit No. 1121, 2nd Floor
Building No. 11, Solitaire Corporate Park

Guru Hargovindji Road, Chakala
Andheri East, Mumbai 400 093
Tel: +91 22 6130 6000
E-mail: ravishu.shah@rbsa.in
Firm Registration No: IBBI/RV-E/05/2019/110
Contact Person: Ravishu Vinod Shah

Technical Consultant

Ravinder
147, Bhagirathi Apartments
Plot No. 13/1, Sector – 9, Rohini
New Delhi 110 085
Tel: +91 99715 68444
E-mail: ravinders.only@gmail.com

Lead Managers to this Offer

ICICI Securities Limited
ICICI Centre, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
Email: pgcil.invit@icicisecurities.com
Website: www.icicisecurities.com
Investor Grievance Email: customercare@icicisecurities.com
Contact person: Sameer Purohit / Rupesh Khant
SEBI Registration No: INM000011179

Axis Capital Limited
1st Floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg
Worli
Mumbai 400 025
Tel: +91 22 4325 2183
Fax: +91 22 4325 3000
Email: pgcil.invit@axiscap.in
Website: www.axiscapital.co.in
Investor Grievance e-mail: complaints@axiscap.in
Contact Person: Sagar Jatakiya
SEBI Registration No: INM000012029

Edelweiss Financial Services Limited
6th Floor, Edelweiss House
Off. C.S.T. Road
Kalina
Mumbai 400 098
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: project.pgcil@edelweissfin.com
Website: www.edelweissfin.com
Investor Grievance E-mail:
customerservice.mb@edelweissfin.com
Contact Person: Jaydeep Sarnaik / Neetu Ranka
SEBI Registration No.: INM0000010650

HSBC Securities and Capital Markets (India) Private Limited
52/60, Mahatma Gandhi Road
Fort, Mumbai 400 001
Tel: +91 22 2268 5555
Fax: +91 22 6653 6207
E-mail: projectpgcil@hsbc.co.in
Website: https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback
Investor Grievance E-mail: investorgrievance@hsbc.co.in
Contact Person: Sanjana Maniar / Dhananjay Sureka
SEBI Registration No.: INM000010353

Syndicate Member

Edelweiss Securities Limited
Edelweiss House
Off. C.S.T. Road
Kalina
Mumbai 400 098
Tel: +91 22 4063 5569
E-mail: prakash.boricha@edelweissfin.com
Website: www.edelweissfin.com
Contact person: Prakash Boricha
SEBI registration number: INZ000166136

Escrow Collection Bank, Public Offer Account Bank and Refund Bank

Axis Bank Limited
DLF City Gurgaon Branch

GL 005 to 008'
Cross Point, DLF Phase IV
Gurugram 122 009
Tel: +91 124 4696 598
Fax: +91 124 4696587
E-mail: dlfgurgaon.branchhead@axisbank.com
Website: www.axisbank.com
SEBI Registration No.: INBI00000017

Inter-se allocation of Responsibilities

The following table sets forth the inter-se allocation of responsibilities for various activities amongst the Lead Managers for this Offer:

Sr. No.	Activity	Responsibility	Co-ordination
1.	Assist the Investment Manager in selecting the initial portfolio of the Trust, Capital structuring, with the relative components and formalities such as type of instruments, etc.	Lead Managers	I-Sec
2.	Due diligence of the Trust's operations/management/ business plans/legal, etc., Sponsors / Investment Managers' / Project Managers' experience, the proposed formation transactions, the proposed and future assets arrangements., any other related party transactions (including any name licensing or other arrangements) Drafting and design of offer documents and of statutory advertisement including memorandum containing salient features of the Offering Documents. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges and the SEBI.	Lead Managers	I-Sec
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.	Lead Managers	Axis
4.	Appointment of Registrar to the Offer, Printers, Advertising Agency, Bankers to the Offer and other intermediaries	Lead Managers	Edelweiss
5.	Finalising road show marketing presentation and FAQ; Finalising the Anchor minutes	Lead Managers	HSBC
6.	International Institutional Marketing of the Offer	Lead Managers	HSBC
7.	Domestic Institutional Marketing of the Offer which will cover, inter alia: • Formulating overall institutional marketing strategy; • Finalising the list and division of investors for one-on-one meetings, institutional allocation • Finalizing road show schedule and investor meeting schedules	Lead Managers	I-Sec
8.	Non-Institutional marketing of the Offer	Lead Managers	Edelweiss
9.	Retail marketing of the Offer, which will cover, inter-alia: • Finalizing media, marketing, public relations strategy and publicity budget • Finalizing collection centres • Finalizing centres for holding conferences for brokers etc. • Deciding on the quantum of the Offer material and allocation amongst the printers and coordinating all aspects of distribution of Bid cum Application forms	Lead Managers	Axis

Sr. No.	Activity	Responsibility	Co-ordination
	• Follow-up on distribution of publicity and Offer material including form, Offer Document/Final Offer Document and deciding on the quantum of the Offer material		
10.	Coordination with stock exchanges for Book Building software and submitting 1% deposit	Lead Managers	Axis
11.	Finalizing of Pricing and Allocation in consultation with the Investment Manager and the Selling Unitholder	Lead Managers	HSBC
12.	Assisting the Investment Manager in ensuring the completion of the formation transactions and the allotment of Units in consideration thereof	Lead Managers	I-Sec
13.	Post bidding activities including management of Escrow Accounts, coordinate non-institutional and institutional allocation, coordination with Registrar and Banks, intimation of allocation and dispatch of refund to Bidders, etc. The post Offer activities of the Offer will involve essential follow up steps, which include finalization of basis of allotment, trading and dealing instruments and dispatch of certificates and demat delivery of Units, with the various agencies connected with the work such as Registrar to the Offer, Banker to the Offer and the bank handling refund business. Release of 1% deposit with Designated Stock Exchange	Lead Managers	Edelweiss
14.	Payment of the applicable Securities Transaction Tax on sale of units by the Selling Unitholders included in the Offer to the Government and filing of the STT return by the prescribed due date as per Chapter VII of Finance (No. 2) Act, 2004, if applicable.	Lead Managers	Edelweiss

Legal counsel to the Trust and the Sponsor as to Indian law

Cyril Amarchand Mangaldas
4th Floor, Prius Platinum
D-3, District Centre
Saket
New Delhi 110 017
Tel: +91 11 6622 9000
Fax: +91 11 6622 9009

Legal counsel to the Lead Managers as to Indian law

J. Sagar Associates
Vakils House, 18 Sprott Road
Ballard Estate, Mumbai 400 001
Tel: +91 22 4341 8600
Fax: +91 22 4341 8617

International Legal Counsel to the Lead Managers

Squire Patton Boggs (MEA) LLP
Dubai International Financial Centre (DIFC)
Burj Daman Office Tower, Level 10
P.O. Box 111 713, Dubai
United Arab Emirates
Tel: +971 4447 8700

Registrar and Transfer Agent

KFin Technologies Private Limited
(*Formerly known as "Karvy Fintech Private Limited"*)
Selenium Tower B

Plot No. 31 & 32, Financial District
Nanakramguda, Serilingampally
Hyderabad 500 032
Tel: +91 40 6716 2222
Fax: +91 40 2343 1551
E-mail: powergrid.invit@kfintech.com
Investor Grievance E-mail: einward.ris@kfintech.com
Website: www.kfintech.com
Contact Person: M Murali Krishna
SEBI Registration No.: INR000000221

Credit Rating Agencies

ICRA Limited
Electric Mansion, 3rd Floor
Appasaheb Marathe Marg
Prabhadevi, Mumbai 400 025
Tel: +91 22 6114 3406
E-mail: shivakumar@icraindia.com
Website: www.icra.in
Contact Person: Mr. L Shivakumar
SEBI Registration No.: IN/CRA/008/2015

CARE Ratings Limited
4th Floor, Godrej Coliseum
Somaiya Hospital Road
Off Eastern Express Highway
Sion (East), Mumbai 400 022
Tel: +91 22 6754 3456
E-mail: agnimitra.kar@careratings.com
Website: www.careratings.com
Contact Person: Mr. Agnimitra Kar
SEBI Registration No.: IN/CRA/004/1999

CRISIL Ratings Limited
CRISIL House, Central Avenue
Hiranandani Business Park, Powai
Mumbai 400 076
Tel: +91 22 3342 3000
Email: crisilratingdesk@crisil.com
Website: www.crisil.com
Contact Person: Nitesh Jain
SEBI Registration Number: INCRA0011999

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes. For a list of branches of SCSBs named by the respective SCSBs to receive ASBA Forms from the Designated Intermediary, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at www.bseindia.com and www.nseindia.com, as updated from time to time.

Registrar to the Offer

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, are provided on the websites of Stock Exchanges at http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6 and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

BASIS FOR OFFER PRICE

The Offer Price has been determined by the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, on the basis of assessment of market demand for the Units offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below.

Bidders are requested to also refer to the sections entitled "*Risk Factors*", "*Our Business*", and "*Combined Financial Statements*" on pages 50, 138 and 287, respectively, to make an informed investment decision.

The Floor Price was ₹ 99 and the Cap Price was ₹ 100.

Based on the evaluation of the qualitative and quantitative factors listed below, the Enterprise Value and Equity Value at the Floor Price and the Cap Price is as follows:

Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Strong lineage and support from our Sponsor and Project Manager
- Consistent and stable cash flows from assets with long term visibility and low counter party risks
- Strong financial position
- Government support and an established regulatory framework
- Strategic and critical nature of power transmission infrastructure with low risk of emergence of alternate transmission infrastructure
- Skilled and experienced Investment Manager having strong corporate governance philosophy

For further details, please see the section entitled "*Our Business*" on page 138.

Quantitative Factors

Some of the information presented below is based on the Combined Financial Statements. For details, please see the section entitled "*Combined Financial Statements*" on page 287.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

1. Valuation provided by the Valuer

The Valuer has used the discounted cash flows method to determine the value of the Initial Portfolio Assets. The assumptions on which the value of the Initial Portfolio Assets is based have been disclosed in the section entitled "*Valuation Report*" attached as Annexure A to this Final Offer Document. For further details, please refer to the "*Valuation Report*" attached as Annexure A to this Final Offer Document.

2. Enterprise Value / Cash flows from operations ratio in relation to Offer Price:

(in ₹ million)

Particulars	Amount	EV/Cash flow from operations		
		At Floor Price	At Cap Price	At Offer Price***
Cash flows from operations for the financial year ended March 31, 2020	10,521.47*	8.56	8.65	8.65
Cash flows from operations for the financial year ended March 31, 2022	12,085.81**	7.45	7.53	7.53
Cash flows from operations for the financial year ended March 31, 2023	11,684.89**	7.71	7.79	7.79
Cash flows from operations for the financial year ended March 31, 2024	11,373.88**	7.92	8.00	8.00

**Cash flow from operations for the financial year ended March 31, 2020 in the above table is in accordance with the Combined Financial Statements.*

***In accordance with the Projections of Revenue from Operations and Cash Flow from Operating Activities prepared by the Investment Manager. For details of the projections and notes thereto, please see the section entitled "Projections of Revenue from Operations and Cash Flow from Operating Activities" on page 360. Also see the section entitled "Risk Factors" on page 50.*

****Prepared on a post-Offer basis.*

3. Comparison with Industry Peers

Particulars	NAV per Unit (₹)*	Premium / (Discount to NAV)%**
India Grid Trust	113.46	15.41%

**NAV as of December 31, 2020*

***Calculated as Unit Price as of April 16, 2021 as quoted on NSE / NAV as of December 31, 2020*

PARTIES TO THE TRUST

A. The Sponsor - Power Grid Corporation of India Limited

History and Certain Corporate Matters

Power Grid Corporation of India Limited ("**POWERGRID**") is a public limited company incorporated on October 23, 1989 under the Companies Act, 1956, having CIN L40101DL1989GOI038121. The equity shares of POWERGRID are listed on BSE and NSE since October 5, 2007. As of December 31, 2020, the President of India is the promoter of POWERGRID, holding 51.34% of the shareholding of the Sponsor, with the remaining being held by public shareholders including mutual funds, financial institutions, insurance companies and foreign institutional investors.

POWERGRID was conferred with the 'Navratna' status on May 1, 2008, and was conferred with the coveted 'Maharatna' status by the Government of India on October 23, 2019. As of November 1, 2020, our Sponsor was the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres (Source: CEA). As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (Source: *www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014. Our Sponsor is listed on BSE and NSE and is a part of various benchmark indices and environmental, social and governance indices.

The Sponsor is certified for and has developed and maintained systems and procedures aligned with integrated management system requirements as per PAS 99:2012, integrating requirements of ISO 9001:2015 (quality management system), ISO 14001:2015 (environment management system) and ISO 45001:2018 (occupational health and safety management system). The Sponsor's management systems were also audited for maintenance of social accountability standard and has been certified to comply with the SA:8000 standard. Additionally, the Sponsor's energy management systems were certified to comply with the requirements of ISO:50001, and its information security management systems we assessed and certified to be in compliance with the ISO:27001 standards.

Background of the Sponsor

POWERGRID has significant investments in electric power transmission projects and has nearly three decades of experience in the power transmission infrastructure sub-sector. POWERGRID, the erstwhile central transmission utility, has recently incorporated Central Transmission Utility of India Limited as its wholly-owned subsidiary which has been notified by the Government of India as the CTU, effective from April 1, 2021.

POWERGRID commenced operations in Fiscal 1991 as 'National Power Transmission Corporation Limited' and changed its name to 'Power Grid Corporation of India Limited' in Fiscal 1993. Further, as part of an initiative of the Government of India to consolidate India's inter-state and inter-regional electric power transmission systems ("**ISTS**") assets into a single entity, from Fiscal 1993 to Fiscal 1994, transmission assets, including transmission lines and substations, of various central electricity generation utilities that operated on an inter-state or inter-regional basis, were transferred to POWERGRID.

As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). As of December 31, 2020, our Sponsor owned the Sponsor TBCB Projects. Our Sponsor, through its wholly-owned subsidiaries, is setting up, implementing and operating transmission projects at various locations in India where the right to provide transmission services is procured under the TBCB mechanism. As of December 31, 2020, eight of these ISTS SPVs had commenced commercial operations, comprising 39 transmission lines (6,398 ckm), with a total power transformation capacity of 9,630 MVA. The remaining Sponsor TBCB Projects are at different stages of development. The Sponsor has been consistently maintaining yearly availability of over 99.7% since Fiscal 2016. In Fiscal 2020, the Sponsor maintained an availability of 99.82% and for the nine months ended December 31, 2020, the availability was 99.80%.

Further, neither the Sponsor nor any of the promoters or directors of the Sponsor: (i) are debarred from accessing the securities market 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; or (iii) are in the list of wilful defaulters published by the RBI.

B. The Trustee – IDBI Trusteeship Services Limited

History and Certain Corporate Matters and Background of the Trustee

IDBI Trusteeship Services Limited is the Trustee of the Trust. It is a debenture trustee registered with SEBI under the Securities and Exchange Board of India (Debenture Trustee) Regulations, 1993 having registration number IND000000460 and its certificate of registration is renewed on February 14, 2017, which is valid until suspended or cancelled by SEBI. The Trustee was incorporated in India under the Companies Act, 1956 with corporate identity number U65991MH2001GOI131154. The Trustee was originally incorporated on March 8, 2001 at Mumbai, Maharashtra. The Trustee's registered office and principal place of business is situated at Asian Building, Ground Floor, 17, R. Kamani Marg, Ballard Estate, Mumbai 400 001, Maharashtra. The Trustee is jointly promoted by IDBI Bank Limited, Life Insurance Corporation and General Insurance Corporation for providing corporate and other trusteeship services. The Trustee provides trusteeship services to corporates across diverse industries as well as domestic and foreign banks and financial institutions."

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market 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; or (iii) are in the list of wilful defaulters published by the RBI.

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:

Sr. No.	Name	DIN
1.	Padma V. Betai	00937921
2.	J. Samuel Joseph	02262530
3.	Ravishankar G. Shinde	03106953
4.	Madhuri J. Kulkarni	07787126
5.	Satyajit Tripathy	08681994

Key Terms of the Trust Deed

The Trustee has entered into the Trust Deed, in terms of the InvIT Regulations, the key terms of which, are provided below:

1. *Powers of the Trustee*

   The Trustee has been provided with various powers under the 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 the Trust, have every and all powers that a person competent to contract and acting as a legal and beneficial owner of such property has.

   (ii) The Trustee shall have the power to determine, in accordance with the Investment Management Agreement and the investment objectives of the Trust, distributions to Unitholders and other rights attached to the Units in compliance with the InvIT Regulations and applicable law.

   (iii) The Trustee shall oversee voting of the Unitholders in accordance with the InvIT Regulations.

   (iv) The Trustee shall have the power to do the following, which may be delegated to the Investment Manager:

      (a) cause offering of the Units through any offer document;

      (b) cause any offer document to be provided to the Bidders;

(c) issue and allot Units;

(d) summon and conduct meetings of the Unitholders; and

(e) approve transfer of the Units.

(v) 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. Further, the Trustee is also empowered to:

(a) acquire, hold, manage, trade and dispose of 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 to be used as collateral security for any borrowings by the Trust;

(b) keep the capital and monies of the Trust on 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 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 and applicable law;

(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 SPV financial assistance in the form of investment in the Trust's debt securities or 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) The Trustee 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. Any distribution made by the Trust from such reserves shall be in terms of the 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, appoint an Investment Manager to manage the Trust.

(ix) The Trustee shall oversee the activities of the Investment Manager and shall obtain a compliance certificate from the investment manager on a quarterly basis or such other time period as prescribed by applicable law.

(x) The Trustee shall, on behalf of the Trust, appoint a Project Manager for the operation and management of the InvIT Assets.

(xi) The Trustee shall oversee the activities of the Project Manager and shall obtain a compliance certificate from the project manager on a quarterly basis or such other time period as prescribed by applicable law.

(xii) The Trustee may appoint any custodian in order to provide custodian services.

(xiii) 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, as may be permitted under applicable law.

(xiv) The Trustee shall, subject to the advice of the Investment Manager, have the power to pay Trust expenses out of the funds held by the Trust in accordance with the Trust documents.

(xv) The Trustee shall have the power to take the opinion of legal or tax counsel in any jurisdiction concerning any disputes or differences arising under the Trust Deed or any matter relating to the Trust and the fees of such counsel shall be paid out of the funds held in the Trust.

(xvi) The Trustee may 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 provided that such power is delegated to, and exclusively exercised by the Investment Manager pursuant to the Investment Management Agreement.

(xvii) The Trustee shall have the power to accept any property before the time at which it is transferable or payable, pay or allow any claim on any evidence, accept any security movable or immovable in lieu of any amounts payable to it, alter the dates for payment of any amounts payable to it and compromise, compound, abandon or otherwise settle any claim or thing whatsoever relating to the Trust of the Trust Deed.

(xviii) The Trustee shall, subject to the advice of the Investment Manager, have the power to cause the Trust to borrow funds, including any subordinated equity, bonds or other fund from any person or authority on such terms and conditions and for such periods and for the purpose of the Trust and the InvIT Assets, subject to any approval of the Unitholders.

(xix) The Trustee may, subject to any advice of the Investment Manager, retain the proceeds received by the Trust from any InvIT Assets.

(xx) The Trustee may make rules to give effect to and carry out the investment objectives. The Trustee may provide, not inconsistent with the provisions of the Trust Deed and the InvIT Regulations, for all or any of the following matters:

(a) manner of maintaining of the records and particulars of the Unitholders;

(b) norms of investment by the Trust in accordance with the investment objectives of the Trust and in accordance with the powers and authorities of the Trustee;

(c) matters relating to entrustment / deposit or handing over of any securities or SPVs 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 Trust Deed or by the management 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.

(xxi) The Trustee shall cause the depository to maintain the depository register in accordance with applicable law.

(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 with respect to the activities pertaining to the Trust.

(xxiii) The Trustee shall review the reports required in terms of the InvIT Regulations and applicable law, as submitted by the Investment Manager, follow-up with the Investment Manager and intimate to SEBI, as the case may be.

(xxiv) The Trustee shall have the power to open one or more bank accounts for the purposes of the Trust, 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 Unitholders, if the matter requires such action.

(xxvi) 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;

(d) to sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances;

(e) to negotiate, sign, seal, execute and deliver the Trust 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, Offer Document or any other deed, agreement or document;

(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 this Deed, the InvIT Regulations and applicable law; and

(g) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law 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 Trust Deed.

(xxvii) The Trustee may at any time, buy-back the Units from the Unitholders, subject to applicable law.

(xxviii) The Trustee may, delegate to any committee or any other person, any powers set out above and the duties set out below, provided, however, that the Trustee shall remain responsible and liable for any such persons' acts of commission or omission as determined by a court of competent jurisdiction whose decision is final, binding and non-appealable, 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.

2. *Duties of the Trustee*

The Trustee shall perform its duties as required under the 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 its business in a proper and efficient manner in the best interest of the Unitholders.

(ii) The Trustee shall appoint an investment manager and project manager in accordance with the InvIT Regulations and applicable law.

(iii) The Trustee shall, on behalf of the Trust, enter into the Investment Management Agreement with the Investment Manager.

(iv) The Trustee shall ensure that the Investment Manager performs its obligations as specified below:

(a) The Trustee shall 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 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 practising chartered accountant or valuer, as applicable, that such transaction is on arm's length basis;

(c) The Trustee shall review the valuation report submitted by the Investment Manager;

(d) 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; and

(e) 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 Trust. The Trustee shall comply with intimation requirements under the InvIT Regulations and applicable law. 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) The Trustee shall delegate all such powers to the Investment Manager and the Project Manager as may be required to carry out obligations under the Investment Management Agreement, Project Implementation and Management Agreement and applicable law.

(viii) 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.

(ix) The Trustee shall appoint a new investment manager in accordance with the InvIT Regulations and Applicable Law, in case of change in Investment Manager due to removal or otherwise, within the time period prescribed under the InvIT Regulations. 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.

(x) The Trustee shall appoint a new project manager in accordance with the InvIT Regulations and applicable law in case of change in 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 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 to be liable for all its acts of omissions and commissions for the period during which it served as project manager, notwithstanding its termination.

(xi) The Trustee shall obtain the prior approval from the Unitholders in accordance with the InvIT Regulations and from SEBI in case of change in control of the Investment Manager.

(xii) The Trustee shall ensure that in case of change in control of the Project Manager in a PPP project (as defined in the InvIT Regulations), written consent is obtained from the concessioning authority(ies) in terms of the concession agreement(s), prior to such change, if applicable.

(xiii) The Trustee shall ensure that subscription amount is kept in a separate bank account in name of the Trust 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 utilised for objectives of the offering as will be mentioned in the relevant offer document.

(xiv) The Trustee shall cause the books of accounts of the InvIT to be in accordance with the Trust Deed.

(xv) The Trustee shall ensure that all acts, deeds and things are done for the attainment of the investment objective of the Trust and in compliance with the InvIT Regulations and applicable law and to secure the best interests of the Unitholders.

(xvi) The Trustee shall file such reports as may be required by SEBI or any other regulatory authority or as required under the InvIT Regulations and applicable law with regard to the activities carried on by the Trust.

(xvii) The Trustee shall periodically review the status of the Unitholders' complaints and their redressal undertaken by the Investment Manager, in accordance with the InvIT Regulations.

(xviii) 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 Trust and such other matters connected with them and the Trust 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.

(xix) The assets and liabilities of the Trust 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.

(xx) The Trustee shall ensure that the Investment Manager shall ensure that a detailed valuation is undertaken of the InvIT assets by a valuer at such intervals and in the manner as may be prescribed under the InvIT Regulations and applicable law. The Trustee shall ensure that the remuneration of the valuer is not linked to or based on the value of the asset being valued.

(xxi) The Trustee of the InvIT shall not invest in Units of the Trust.

(xxii) The Trustee shall fulfil its obligations in terms of the InvIT Regulations.

(xxiii) The Trustee shall ensure that the activity of the Trust is being operated in accordance with the provisions of the Trust Deed, the InvIT Regulations, applicable law and the Trust documents and in case of any discrepancy, it shall inform SEBI immediately in writing.

(xxiv) The Trustee shall immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted.

(xxv) The Trustee shall maintain records in accordance with the InvIT Regulations and applicable law.

(xxvi) The Trustee shall wind up the Trust in accordance with the InvIT Regulations and applicable law. Upon winding up of the Trust, the Trustee shall surrender the certificate of registration to SEBI.

3. *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 the Trust's premises or properties (including any holding company and SPVs) 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 the Trust's activities or any matter which may relate to the conduct of the business of the Trust and which information may, in the opinion of the Trustee and the Investment Manager adversely affect the interest of the Unitholder.

(iii). 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 from 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).

(iv). 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 any other professional person appointed by the Investment Manager for the purpose.

4. *Liabilities of the Trustee*

The liabilities of the Trustee in terms of the 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 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 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 Trust, shall be borne by the Trust.

(iv). 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.

(v). 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.

(vi). 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.

(vii). If the Trustee is required by the InvIT Regulations or any applicable law to provide information regarding the Trust or the Sponsor or the Unitholders, the investments made by the Trust 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.

(viii). 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 this Deed, as determined by a court of competent jurisdiction.

(ix). If the Trustee engages any external advisors or experts to discharge its obligations or undertakes any work (in consultation with the Investment Manager, in the interest of the Unitholders) which is not covered within the scope of work of the Trustee 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.

(x). The liability of the Trustee shall be limited to the extent of the fees received by it, in all circumstances whatsoever except (a) in case of any negligence or misconduct or fraud on the part of the Trustee as may be determined by a court of competent jurisdiction, or (b) any failure on the part of the Trustee to protect the interests of the Unitholders.

5. *Provisions relating to Unitholders*

(i). The aggregate liability of each Unitholder shall be limited to making the capital contribution payable by it in respect of the Units subscribed by it.

(ii). Each Unit allotted to the Unitholders shall have one vote for any decisions requiring a vote of Unitholders and shall carry such rights as provided in the InvIT Regulations.

(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 Trust Deed.

(v). A Unitholder whose name and account details are entered in the depository register shall be the only person entitled to be recognised by the Trustee as having a right, title, interest in or to the Units registered in his name and the Trustee shall recognise 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 recognise 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 Trust ceasing to comply with applicable law;

(b) interference with the exercise of any discretion expressly conferred on the Trustee by the 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 shall limit the right of the Unitholder to require the due administration of the Trust in accordance with the 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 Trust 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 the 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.

6. *Indemnity*

In addition to the fees, distributions and expense reimbursements herein described, the InvIT Assets shall be utilized to indemnify and hold harmless the Trustee, the Sponsor 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 fees ("**Losses**") suffered or incurred by them by reason of their activities on behalf of the Trust, unless such Losses resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligations or duties under applicable law by the relevant Indemnified Party, as determined by a court of competent jurisdiction.

7. *Termination*

The InvIT is subject to dissolution and termination in accordance with and subject to the InvIT Regulations and applicable law:

(i). if the Trust fails to make any offer of Units, whether by way of public issue or private placement, within the time period stipulated in the InvIT Regulations or any other time period as specified by SEBI, the Trust shall surrender its certificate to SEBI and cease to operate as an investment infrastructure trust, unless the period is extended by SEBI;

(ii). upon the liquidation of InvIT Assets;

(iii). if there are no projects remaining under the Trust and the Trust does not invest in any project for six months thereafter;

(iv). delisting of the Units in accordance with the InvIT Regulations; or

(v). illegality of the InvIT under applicable law.

C. The Investment Manager – POWERGRID Unchahar Transmission Limited

History and Certain Corporate Matters

The Investment Manager was incorporated as 'Unchahar Transmission Limited' on December 17, 2012, under the Companies Act, 1956, as a public limited company. Thereafter, the name of the Investment Manager was changed to 'POWERGRID Unchahar Transmission Limited', and a certificate of incorporation pursuant to change of name was issued by the Registrar of Companies, Delhi, on September 17, 2014. The Investment Manager is a wholly-owned subsidiary of POWERGRID. The registered office of the Investment Manager is located at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016, Delhi. The previous CIN of the Investment Manager was U40300DL2012GOI246341. Subsequent to a change in the objects clause of its memorandum of association, a new CIN was allotted by the RoC to the Investment Manager, being U65100DL2012GOI246341.

The principal business of the Investment Manager in terms of its memorandum of association is to, *inter alia*:

a) to plan promote and develop an integrated and efficient power transmission system network in all its aspects;

b) to study, investigate, collect information and data;

c) to act as consultants, technical advisors, surveyors, and providers of technical and other services to public or private sector enterprises engaged in, amongst others, manufacture of power plant and equipment and maintenance of power transmission system from power generating stations and projects; and

d) to carry on the business of acting as investment manager, investment adviser, trustee, settlor, sponsor, promoter, portfolio manager, administrator, attorney, agent, consultant, among others representative or nominee of or for any investment funds, unit trusts, private equity funds, debt funds, pooled investment vehicles, special purpose vehicles, infrastructure investment trusts etc. or any other portfolio of securities, properties and/or assets of any kind and to thereby settle, administer, acquire, take up manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever.

Background of the Investment Manager

The Investment Manager has been engaged in the infrastructure business since Fiscal 2014 and it has relevant infrastructure sub-sector experience since it was involved in the construction and is currently operating, a transmission system. The Investment Manager was acquired by POWERGRID on March 24, 2014 under tariff based competitive bidding from REC Transmission Projects Company Limited (the bid process co-ordinator) for establishment of transmission system for ATS of Unchahar TPS on a BOOM basis. The transmission system comprising 400 kV D/C line traverses the state of Uttar Pradesh. The Investment Manager was granted transmission license by Central Electricity Regulatory Commission on July 21, 2014, and the project has been commissioned on October 1, 2016.

The Investment Manager has also entered into a transmission services agreement dated October 4, 2016 with POWERGRID in relation to the abovementioned project, and a transmission service agreement dated December 20, 2013 with Uttar Pradesh Power Corporation Limited, Jodhpur Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, Himachal Pradesh State Electricity Board Limited, Uttarakhand Power Corporation Limited, Tata Power Delhi Distribution Limited, Haryana Power Purchase Centre (acting on behalf of Uttar Haryana Bijli Vitran Nigam Limited and Dakshin Haryana Bijli Vitran Nigam Limited), Power Development Department, Government of Jammu & Kashmir, and Electricity Wing of Engineering Department, Union Territory of Chandigarh. Accordingly, as described above, the Investment Manager has more than five years of experience in development in the infrastructure sector, in terms of Regulation 4(2)(e)(ii) of the InvIT Regulations.

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 the Trust, 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 debarred from accessing the securities market 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; or (iii) are in the list of wilful defaulters published by the RBI.

The IM Board

The IM Board is entrusted with the responsibility for the overall management of the Investment Manager. Please see below the details in relation of the IM Board:

Sr. No.	Name	DIN
1.	Seema Gupta	06636330
2.	Sunil Kumar Sharma*	03614952
3.	M.N. Venkatesan*	02126022
4.	Ashok Kumar Singhal	08578420

* *Pursuant to an order of MoP dated December 15, 2020, Sunil Kumar Sharma and M.N. Venkatesan were appointed as non-official independent directors of the Investment Manager for a period that is the earliest of: (i) one year from the date of the MoP order; (ii) until their respective tenures as non-official independent directors on the board of the Sponsor; and (iii) until professionals from the field of investment and treasury or money management are selected.*

Brief Biography of the Directors of the Investment Manager

Please see below a brief biography of the directors of the Investment Manager:

1. Seema Gupta

Seema Gupta is the non-executive chairperson of the board of directors of the Investment Manager. She is also holding the post of Director (Operations) in Power Grid Corporation of India Limited (the Sponsor). Prior to taking up this assignment, she was an executive director (Northern Region-I) in Power Grid Corporation of India Limited. She holds a degree in engineering from Delhi College of Engineering and also holds a post graduate diploma in management from Institute of Management Technology, Ghaziabad. She has more than 36 years of experience in the power sector and has handled multi-disciplinary functions like commercial, international business, corporate planning, corporate monitoring group and central transmission utility in the Sponsor. Before joining the Sponsor in 1991, she has worked for about seven years in NTPC Limited.

2. Sunil Kumar Sharma

Sunil Kumar Sharma is an independent director on the board of directors of the Investment Manager. He has served as the chairman and managing director of Bharat Electronics Limited. He holds a bachelor's degree in engineering and a master of business administration degree from Bangalore University. During his professional tenure of about four decades, he has steered the development and execution of large defence projects and complex information technology based national e-governance projects such as electronic voting machine, biometrics for national population register and smart cards.

3. M. N. Venkatesan

M. N. Venkatesan is an independent director on the board of directors of the Investment Manager. He holds a bachelor of commerce degree and is a practicing chartered accountant specialising in management and financial consultancy. He has more than 36 years of experience as a chartered accountant, including as the statutory central auditor of large public sector banks. He has also served on the board of directors of Indian Overseas Bank from 2002 to 2008. Presently, he is a senior partner of M.R. Narain and Co., Chartered Accountants, Chennai.

4. Ashok Kumar Singhal

Ashok Kumar Singhal is a non-executive director on the board of directors of the Investment Manager. He is also holding the position of executive director in Power Grid Corporation of India Limited. He holds a bachelor's degree in electrical engineering and also holds a post graduate diploma in management from Institute of Management Technology, Ghaziabad. He has over 34 years of experience in the power transmission sector. He has worked with Power Grid Corporation of India Limited (the Sponsor) and has extensive experience in the fields of engineering, corporate planning, finance related matters, project monitoring and the Tariff-Based Competitive Bidding process.

Brief profiles of the key personnel of the Investment Manager

Set out below are the details of the key personnel of the Investment Manager:

1. ***Purshottam Agarwal***

Purshottam Agarwal is the chief executive officer of the Investment Manager. He holds a bachelor of commerce degree from Ranchi University. He is a qualified chartered accountant and is a member of the Institute of Chartered Accountants of India. He has 27 years of experience in the fields of finance and accounts, including corporate accounts, budgeting, financial concurrence, fund raising from capital markets and enterprise resource planning systems.

2. ***Sanjay Sharma***

Sanjay Sharma is a senior general manager of the Investment Manager. He holds a bachelor of technology degree in electrical engineering from Govind Ballabh Pant University of Agriculture and Technology, Pantnagar, and was awarded the vice chancellor's gold medal for being the best graduating student. He has worked with the Sponsor since January 1993 and has 28 years of experience in the fields of commercial, regulatory, contracts management, telecom marketing, funding, corporate planning and strategy, capital market issuances and investor relations.

3. ***Gyaneshwar Prasad Payasi***

Gyaneshwar Prasad Payasi is a senior general manager of the Investment Manager since January 2020. He holds a bachelor's degree in electrical engineering from Awadhesh Pratap Singh University, Rewa and a master's degree in power system engineering from University of Roorkee (now IIT Roorkee). Further, he holds a post graduate diploma in management (PGDM) from Management Development Institute, Gurgaon. He has over 26 years of experience in the field of power transmission sector. He has worked with the Sponsor since August, 1994 in multiple areas of the power transmission sector including operation and maintenance, project implementation, project engineering, project monitoring, environment and social management (PESM), OPGW projects, load dispatch and control, information technology, SCADA and energy management system, rural electrification, consultancy business, tariff based competitive bidding and commercial and regulatory area of the transmission sector.

4. ***Amit Garg***

Amit Garg is the chief financial officer of the Investment Manager. He holds a bachelor of commerce degree from Delhi University and a post graduate diploma in business management from the Institute of Integrated Learning in Management, New Delhi. He has 24 years of experience in the fields of corporate accounts, corporate banking, investment appraisals, financial concurrence, formulation of capital budgets, resource mobilization, tariff based bidding and enterprise resource planning.

5. ***Amit Bhargava***

Amit Bhargava is a senior general manager of the Investment Manager. He holds a bachelor of technology degree in electrical engineering from Banaras Hindu University. He has 25 years of experience in the fields of public procurement and contractual management in the power transmission sector for projects through multilateral funding and buyer's credit, consultancy project for DEWA, Bangladesh, projects developed through public private partnership mode and commercial and regulatory areas of the power transmission sector.

6. ***Harihara Rath***

Harihara Rath is the deputy general manager (finance) of the Investment Manager since January, 2020. He holds a bachelor's degree in science, bachelor's degree in law and a degree in master of business administration, each from Utkal University, Bhubaneswar. He is a qualified cost and management accountant from the Institute of Cost Accountants of India. He has 15 years of experience in Indian power transmission and distribution sectors and has worked with the Sponsor since 2005 in the field of finance, taxation, initial public offering and follow-on public offering, handling investors services cell and ERP systems.

7. ***Anjana Luthra***

Anjana Luthra is the company secretary of the Investment Manager. She holds a bachelor of commerce (honours) degree and a bachelor of laws degree from Delhi University. She is a qualified company secretary and a member of the Institute of Company Secretaries of India. She has 19 years of experience in the fields of corporate secretarial and legal functions including areas of statutory compliances, formation of new ventures, corporate governance, mergers and takeovers, regulatory liaising, financial planning and funds management, structuring of commercial Contracts, loan agreements and other transaction specific agreements, intellectual property rights and litigation.

Key Terms of the Investment Management Agreement

The Investment Manager has entered into the Investment Management Agreement, in terms of the InvIT Regulations, the key terms of which, are provided below.

1. *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 day-to-day management and administration of InvIT Assets and the investments of the Trust as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust in accordance with the InvIT

Regulations and other applicable law. The Investment Manager shall ensure that all investments of the Trust shall be registered in the name of the Trustee (acting on behalf of the InvIT) or the Trust.

(ii). The Investment Manager shall, subject to such approval as may be required from the Unitholders, make the investment decisions with respect to the underlying assets or projects of the Trust, including any further investments or divestments, subject to InvIT Regulations and in this regard is also empowered to do the following acts including:

(a) acquire, hold, manage, trade and dispose of 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 the Trust in such holding companies, and/or SPVs, or infrastructure projects to be used as collateral security for any borrowings by the Trust;

(b) keep the capital and monies of the Trust 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 holding companies, or SPVs, or infrastructure projects and income of the Trust 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 and other applicable law;

(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 holding companies, or SPVs financial assistance in the form of investment in the Trust's debt securities or 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 shall appoint a Project Manager for the Trust, by execution of the Project Implementation and Management Agreement.

(iv). The Investment Manager shall oversee activities of the Project Manager with respect to compliance with the InvIT Regulations 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 or such other intervals as may be prescribed.

(v). The Trustee authorizes the Investment Manager to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust.

(vi). The Investment Manager shall have the power to issue and allot Units in accordance with the InvIT Regulations. The Investment Manager shall have the power to accept subscriptions to Units of the InvIT and issue and allot Units to Unitholders or such other persons and undertake all related activities under applicable law. The Investment Manager shall also have the power to refund subscription money and pay necessary interest thereon, in accordance with applicable law. Further, the Investment Manager shall, subject to and only in accordance with the terms of the Trust documents and applicable law, have the power to transfer the Units.

(vii). The Investment Manager shall cause the depository to maintain a depository register.

(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 applicable law may permit, be conclusive and binding.

(ix). The Investment Manager shall have the power to cause the Trust to borrow funds, including any subordinated equity, bonds or other fund from any person or authority (whether Government or otherwise, whether Indian or overseas) on such terms and conditions and for such periods and for the purpose of the Trust and the InvIT Assets, subject to any approval of the Unitholders.

(x). The Investment Manager shall have the power to exercise all rights of the Trust 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 the InvIT, 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 Trust, 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.

(xiii). The Investment Manager may 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 as authorised by the Trustee and permissible under the applicable law.

(xiv). The Investment Manager, in consultation with the Trustee, shall appoint and have the power to appoint, determine the remuneration and enter into, execute, deliver and terminate all documents and agreements, any contracts, agreements, including share purchase agreement, deed of right of first offer and refusal, escrow agreements, debt documentation, underwriting agreements and other Trust documents, any investment pooling agreement, agreement relating to strategic investments, co-investment agreements and other any and all documents and instruments containing customary terms including any amendments or supplements thereto as may be applicable with respect to the activities pertaining to the Trust in a timely manner and as per the provisions of the InvIT Regulations and applicable law.

(xv). 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 the Trust's income, in accordance with Applicable Law. The Investment Manager shall exercise due care and prudence in payment of duties and taxes of the Trust and shall endeavour to ensure that there are no material outstanding dues in that behalf, except for any claim or demand made by any tax department or authority subsequently, or any amounts disputed in good faith.

(xvi). The Investment Manager shall have the power to pay Trust expenses out of the funds of the Trust, or all or any of the InvIT Assets, in such proportion as may be determined from time to time, and the Investment Manager shall be entitled to reimbursement of any such expenditure duly incurred.

(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 the Investment Management Agreement or to its duties in connection with the Investment Management Agreement.

(xviii). Subject to applicable law, 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) accept any composition or any security, movable or immovable, for any equity or other property;

(d) allow any time for payment of any equity; and

(e) subject to such approval as may be required from the Unitholders, compromise, compound, abandon, submit to arbitration or otherwise settle any equity account, claim or thing whatsoever relating to the Trust or the Investment Management Agreement.

(xix). Subject to the conditions laid down in any offer document and applicable law, the Investment Manager may retain the invested capital portion of any proceeds received by the Trust from any holding company or SPV.

(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:

(a) manner of maintaining of the records and particulars of Unitholders;

(b) norms of investment by the Trust in accordance with the investment objectives of the Trust and in accordance with the powers and authorities of the Trustee as set out in the Trust Deed;

(c) matters relating to entrustment, deposit or handing over of any securities or SPVs 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 their very nature, required to be included or provided for in the Trust Deed or by the management thereof and which matters are not inconsistent with the investment objectives;

(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 the Trust'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 the Trust's activities or any matter which may be related to the conduct of the business of the Trust and which information may, in the opinion of the Investment Manager, adversely affect the interest of other Unitholders.

(xxii). Investment Manager may buyback the Units from the Unitholders at the end of the term of the Trust or any other time or in any other manner in accordance with applicable law, if so directed by the Trustee.

(xxiii). The Investment Manager shall provide the Trustee with advice and recommendations regarding the extension of loans from the Trust to the holding company and SPV and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the holding company and SPV from the Trust or extension of loans from the Trust in compliance with applicable law.

(xxiv). 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 the Trust, and to defend, compound or otherwise deal with any such proceedings against the Trust or the Investment Manager or their 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 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 the Trust and for the claims and demands of the Trust;

(c) to enter into all such negotiations and contracts, and, execute or terminate and do all such acts, deeds and things for or on behalf of or in the name of the Trust as it may consider expedient for or in relation to any of the matters or otherwise for the purposes of the Trust;

(d) to ascertain, appropriate, declare and distribute or reinvest the surplus generally or under the Trust, to determine and allocate income, profits and gains in respect of the Trust to and amongst the Unitholders, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums, as it may deem fit, to one or more reserve funds which may be established by it;

(e) to open one or more bank accounts and demat accounts for the purposes of the Trust, to deposit and withdraw money, and fully operate and manage any such account fully;

(f) to sign, seal, execute, deliver and register according to applicable law all deeds, documents, and assurances in respect of the Trust;

(g) pay out of the income of the Trust, after deducting all expenses, the income and other distributions in accordance with the InvIT Regulations and applicable law;

(h) take into their custody or control all the capital, assets, property of the Trust and hold the same in trust for the Unitholders in accordance with the Trust Deed, applicable law and the InvIT Regulations;

(i) generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law for the time being in force and do all such matters and things as may promote the investment objectives of 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 Investment Management Agreement, Applicable Law and the InvIT Regulations;

(j) together with the Trustee, initiate, prosecute or defend any action or other proceedings in any court of law or through arbitration or in any other manner for recovery of debts or sums of money, right, title or interest, property, claim, matter or thing whatsoever now or hereafter to become due or payable or in any way and belonging to the Trust by any means or on any account whatsoever in respect of and pertaining to the investments made by it and the same actions or proceedings or suits to discontinue or settle, as it shall in its best judgment or discretion deem fit;

(k) to issue statement of accounts or Unit certificates (if requested) to the Unitholders on behalf of the Trustee in accordance with Applicable Law, to submit Units for dematerialisation and to make all applications and execute all documents with the depositories and depository participants as may be necessary in this regard;

(l) to set up such systems and procedures, and submit such reports, as may be required by the Trustee as necessary for effective monitoring of the functioning of the Trust.

2. *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 use best endeavours to carry on and conduct its business in a proper and efficient manner in the best interest of the Unitholders. Further, it shall at all times exercise due diligence in carrying out its duties and protecting the interest of the Unitholders.

(ii). The Investment Manager shall coordinate with the Trustee, as may be necessary, with respect to the operations of the Trust.

(iii). The Investment Manager shall ensure that the valuation of the InvIT Assets is done by the valuer(s) and the valuer(s) acts in accordance with the InvIT Regulations.

(iv). The Investment Manager shall arrange for adequate insurance coverage for the InvIT Assets in accordance with the InvIT Regulations. The Investment Manager shall ensure that the InvIT Assets held by the holding companies or the SPVs are adequately insured.

(v). The Investment Manager shall maintain proper books of accounts, documents and records with respect to the Trust, to give a true, fair and accurate account of the investments, expenses, earnings, profits etc. of the Trust. The Investment Manager shall ensure that audit of the accounts of the Trust by the auditors is undertaken in accordance with the InvIT Regulations and such report is submitted to the stock exchange(s) within the time stipulated by the stock exchange(s), if any, and in accordance with the InvIT Regulations.

(vi). The Investment Manager shall declare distributions to Unitholders in accordance with the InvIT Regulations. Subject to applicable law, such percentage of the net distributable cash flows of the SPVs shall be distributed to the Trust in terms of the InvIT Regulations. Such declared distributions shall be made within the time period prescribed by the InvIT Regulations.

(vii). The Investment Manager shall convene meetings of the Unitholders and maintain records pertaining to the meetings in accordance with the InvIT Regulations and other applicable law.

(viii). 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, if required under applicable law 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 the Investment Management Agreement is terminated and a new investment manager has been appointed.

(ix). The Investment Manager will monitor the Trust, including monitoring current and projected financial position of the Trust 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 the Trust, in accordance with the InvIT Regulations. The Investment Manager shall designate an employee or a 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.

(x). The Investment Manager shall maintain records pertaining to the activity of the Trust in terms of the InvIT Regulations.

(xi). The Investment Manager shall manage the Trust in accordance with the InvIT Regulations and the investment objectives of the Trust, and shall ensure that the investments made by the Trust are in accordance with the investment conditions enumerated in the InvIT Regulations, applicable Law and in accordance with the investment objectives and the investment strategy set out in the offer documents. The Investment Manager may review, revise, amend, vary or alter the investment objectives.

(xii). 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 practising chartered accountant or a valuer, as applicable, that such transaction is on an arm’s length basis.

(xiii). The Investment Manager shall ensure adequate and timely redressal of all Unitholders’ grievances pertaining to the activities of the InvIT in accordance with the InvIT Regulations.

(xiv). The Investment Manager shall submit to the Trustee:

(a) quarterly reports on the activities of the Trust including receipts for all funds received by it and for all payments made, status of compliance with 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/decision to acquire, 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 stipulated 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, any legal proceedings that may have a significant bearing on the activity of the Trust, within such period as stipulated under applicable law;

(g) such information, document and records as pertaining to the activities of the Trust as may be reasonably necessary for, and sought by, the Trustee with respect to its responsibilities under the Trust Deed, the InvIT Regulations and applicable law; and

(h) such other information, document and records as pertaining to its activities, obligations, duties and responsibilities under the Investment Management Agreement, the InvIT Regulations and applicable law, as may be reasonably necessary for, and sought by, the Trustee.

(xv). The Investment Manager shall be responsible for all activities pertaining to any issue and listing of the Units of the InvIT in accordance with applicable law, including:

(a) filing the offer document with SEBI and/or the stock exchange(s) within the prescribed time period;

(b) dealing with all matters up to the allotment of Units to the Unitholders;

(c) obtaining in-principle approval and final listing and trading approvals from the designated stock exchange; and

(d) dealing with all matters relating to the issue and listing of the Units.

(xvi). The Investment Manager shall also ensure that all relevant provisions of the InvIT Regulations and applicable law have been complied with and all statements and disclosures made in any Offer Document are material, true, correct, not misleading and are adequate disclosures in order to enable the investors to make an informed decision and are in accordance with the InvIT Regulations and applicable law, and such offer document should not contain any untrue statement of a material fact or omit 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.

(xvii). In terms of the InvIT Regulations, the Investment Manager shall apply for delisting of units of the Trust to SEBI and the designated stock exchange in accordance with the InvIT Regulations and applicable law.

(xviii). 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 exchange.

(xix). The Investment Manager shall submit half-yearly reports within the time period prescribed under the InvIT Regulations to the stock exchange(s) and provide any information having bearing on the operation or performance of the Trust, as well as price sensitive information and other information that is required in terms of the InvIT Regulations and applicable law.

(xx). The Investment Manager will also have the following duties and obligations:

(a) ensure that computation and declaration of Net Asset Value of the Trust is based on the valuation done by the valuer in accordance with the InvIT Regulations and applicable law;

(b) maintain regular interaction with the Trustee regarding performance of the Trust and providing the Trustee with any information in relation to the operations of the Trust as maybe required under applicable law;

(c) conducting its affairs and the affairs of the Trust 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 the Trust;

(d) keeping the Unitholders of the Trust informed and updated on investment activities of the Trust in accordance with the terms of the InvIT Documents;

(e) collecting all dividends, fees, property and other payments due and receivable by the Trust, declaring distribution to the Unitholders in the manner set out in the Deed and in terms of the InvIT Regulations and applicable law;

(f) to ensure that no commission or rebate or any other remuneration, by whatever name called, arising out of transactions pertaining to the Trust is collected by it or its associates for the purpose of the issue of the Units;

(g) to ensure that the InvIT Assets including the holding companies and the SPVs, have proper legal titles, to the extent applicable, and that all the material contracts entered into on behalf of the Trust or the InvIT Assets are legal, valid, binding and enforceable by and on behalf of the Trust or the InvIT assets, as applicable;

(h) to ensure that all 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 applicable law;

(k) provide SEBI, the designated stock exchange(s) and Trustee, where applicable, such information as may be sought by SEBI or by the designated stock exchange(s) or Trustee pertaining to the activity of the Trust;

(l) submit a compliance certificate to the Trustee, in the form and at such intervals as may be specified under the InvIT Regulations and applicable law;

(m) to inform the Trustee in writing about any change in the representations and warranties provided under the Investment Management Agreement; and

(n) take 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.

(xxi). The Investment Manager shall provide to the Trustee such assistance as may be required by the Trustee in fulfilling its obligation towards the Trust under applicable law or as may be required by any regulatory authority with respect to the Trust.

(xxii). The Investment Manager shall rectify any delay or discrepancy or non-compliance of reporting or disclosures requirements under the InvIT Regulations and applicable law on an urgent basis.

(xxiii). Disclose to the Trustee any pending business transactions, contracts under negotiation and other arrangements with the valuer and any other factors that may interfere with the valuer's ability to give an independent and professional valuation of the assets.

3. *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 (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 the Investment Management Agreement, the Investment Manager shall not be under any liability.

(iii). 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 if the Investment Manager is required by the InvIT Regulations or applicable law to provide information regarding the Trust or the Unitholders, the Trust 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.

(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 the InvIT Assets or otherwise, except in the event that such loss is a result of fraud or gross negligence or wilful default on the part of the Investment Manager.

(v). 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 form of fees or any other form payable to the Investment Manager by the Trust.

(vi). The Investment Manager shall not 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 the Trust or of any investments of the Trusts 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.

4. *Indemnity*

In addition to the fees, distributions and expense reimbursements herein described, the Trustee shall, from the Trust 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 the Trust, unless such Losses resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligations or duties under applicable law by the relevant Indemnified Party, as determined by a court of competent jurisdiction.

The Trustee, its directors, employees and 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 the Trust, or furnishing incorrect information by the Investment Manager under the InvIT Regulations or related to Trust including in any offer document, 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, Trust Deed, the other Trust documents, any information memorandum, offer document 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 paid to the Investment Manager for the immediately preceding one financial year, 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 for losses or damages suffered arises out of any gross negligence, wilful default or misconduct or fraud of the Investment Manager, as determined by a court of competent jurisdiction.

5. *Termination*

The Investment Management Agreement shall be 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.

(i). The Unitholders, other than any party related to the transactions and its associates holding not less than such percentage by value as specified under the InvIT Regulations, may apply in writing to the Trustee for removal of the Investment Manager.

(ii). Subject to the approval of Unitholders (if required) and compliance with other requirements under Applicable Law, the Investment Management Agreement may be terminated:

(a) by the Investment Manager by delivery of a written notice to the Trustee at any time, subject to appointment of new Investment Manager in accordance with the Investment Management Agreement and the InvIT Regulations;

(b) by the Trustee by delivery of a written notice to the Investment Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Investment Management Agreement by the Investment Manager and a failure of the Investment Manager to cure the said breach within a period that is earlier of: (a) the period stipulated under applicable law, or (b) 90 business days; or such other period as may be mutually agreed to cure such breach;

(c) by the InvIT (acting through the Trustee) pursuant to a resolution of Unitholders; or

(d) by any Party by delivery of a written notice to the other Party upon the bankruptcy of such other Party, or if winding up or liquidation proceedings are commenced against such other Party, and such proceedings persist for a period of more than three months.

(iii). After approval from the Unitholders in accordance with the InvIT Regulations, the Trustee shall appoint a new investment manager and execute a new investment management agreement within three months from the termination of the previous investment management agreement in accordance with applicable law. The Trustee shall also ensure that the new investment manager stands substituted as a party in all documents to which the Investment Manager was a party, in relation to the Trust in its capacity as the Investment Manager. The Investment Manager shall remain in office until the appointment of a new investment manager. The Investment Manager shall continue to be liable for all of its acts, omissions and commissions during its tenure as Investment Manager, notwithstanding the termination of the Investment Management Agreement.

(iv). Upon removal or replacement of the Investment Manager, the Investment Manager shall, within a period of 90 (ninety) business days, transfer custody of the Trust to the Trustee and give the Trustee all books of accounts, correspondence, documents and records relating to the InvIT which the Investment Manager has in its possession. In the event of removal or resignation of the Investment Manager, the Investment Manager shall be entitled to receive Management Fees only up to the date of such removal or resignation.

(v). Notwithstanding anything contained hereinabove, (i) in the event that the offer of Units does not occur within the time period stipulated in the InvIT Regulations or such other date as may be mutually agreed to between the Investment Manager and the Trustee, or (ii) in the event of cancellation of registration of the Trust by SEBI, or (iii) winding up of the Trust, then the Investment Management Agreement shall automatically terminate without any liability on any party.

D. The Project Manager –Power Grid Corporation of India Limited

History and Certain Corporate Matters

Power Grid Corporation of India Limited is the Project Manager in respect of the Trust. For details, please see the section entitled "*– The Sponsor – Power Grid Corporation of India Limited*" on page 92.

Background of the Project Manager

For details, please see the section entitled "*– The Sponsor –Power Grid Corporation of India Limited*" on page 92.

Neither the Project Manager nor any of the promoters or directors of the Project Manager (i) is 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; or (iii) is in the list of wilful defaulters published by the RBI.

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, the key terms of which, are provided below.

1. *Scope of Services*

   The scope of services of the Project Manager are as follows:

   (i). The Project Manager shall operate, maintain and manage the InvIT Assets as per the terms and conditions of the respective O&M Agreements, transmission service agreements and the InvIT Regulations, either directly or through the appointment and supervision of appropriate agents by the SPVs or by the Project Manager, and perform obligations as stipulated therein.

   (ii). The Project Manager shall, either directly or through appropriate agents, oversee, (a) progress of development, approval status and other aspects of the project; (b) progress of development of any expansion of the Project; or; (c) progress of development of any additional works or assets proposed to be executed by the SPVs, in each case, until their respective completion, including the supervision of the agents appointed for such purpose.

   (iii). The Project Manager shall discharge any obligations in respect of achieving timely completion, implementation and development of a SPV under-construction project in accordance with the terms of the letter of award or equivalent documents issued to the relevant SPV in relation to such SPV Under-construction project, the Project Implementation and Management Agreement and applicable law.

2. *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 the InvIT 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, the construction 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 the 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, operation, maintenance and management of the infrastructure projects in terms of the O&M agreements, the construction agreements, the transmission service agreements, the Project Implementation and Management Agreement and the InvIT Regulations.

   (iv). The Project Manager acknowledges that the Trustee and the Investment Manager will be overseeing the activities of the Project Manager in accordance with the InvIT Regulations and accordingly, the Project Manager shall extend complete coordination to enable the Trustee and the Investment Manager to perform such obligations in accordance with the InvIT Regulations. Further, 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 shall provide the Investment Manager with 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 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 the Trust and as may be required for making submissions to SEBI or any 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.

(vii). The Project Manager shall appoint one of its qualified employees reasonably acceptable to the Investment Manager and each of the SPVs with adequate and appropriate experience as a principal contact for the board of directors of each SPV, the Trustee and the Investment Manager in relation to the project and the services. Any directions or instructions to be issued to the Project Manager under the Project Implementation and Management Agreement shall be issued only by the Investment Manager, and the Investment Manager shall ensure that such directions or instructions shall be based on directions or instructions, as the case may be, issued by the relevant SPV to the Investment Manager. Further, the Project Manager shall be entitled to take actions in relation to, and ensure compliance with, such directions and instructions as may be issued by the Investment Manager to the Project Manager, and shall report back to the Trustee and the Investment Manager.

(viii). The Project Manager shall at all times ensure that the transactions or arrangements entered into by the Project Manager with a related party are on an arm's-length basis.

(ix). 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 any InvIT Asset, or materially to change the financial viability, quality or function of any InvIT Asset.

(x). 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, regarding appropriate remedying of the defects, and at its own cost, repair, replace or otherwise make good (as may be mutually agreed by the Project Manager, Investment Manager and the relevant SPV) such defects and subject to the provisions of the Project Implementation and Management Agreement, any damage caused by such defect.

(xi). The Project Manager shall be liable to the other parties 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. The Trustee and the Investment Manager acknowledge and agree that the maximum aggregate liability of the Project Manager shall be limited to the annual fees payable under the Project Implementation and Management Agreement.

(xii). The duties of Project Manager shall also include the following:

(a) providing the necessary certification as may be required under applicable laws and the InvIT Regulations;

(b) execution and completion of activities in relation to any InvIT Assets under development in accordance with and in the manner contemplated in any agreement entered into by any or all the InvIT Assets;

(c) exercising care and diligence in carrying out its duties and protecting the InvIT Assets;

(d) keeping the Investment Manager informed on all matters which have a material bearing on the operations of the InvIT Assets;

(e) liaising with governmental authorities in respect of its obligations under the Project Implementation and Management Agreement, the O&M agreements and the construction agreements;

(f) taking appropriate measures to mitigate the risks which may be encountered by the Trust in respect of the InvIT Assets;

(g) keeping proper records for actions taken in respect of the InvIT Assets; and

(h) complying with the instructions of the Investment Manager and the Trustee and the provisions of the InvIT Regulations.

(xiii). The parties to the Project Implementation and Management Agreement, may, from time to time, agree to the provision of certain additional services to be rendered by the Project Manager. If, in the assessment of the Project Manager, such 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, the construction agreements and applicable law, the Project Manager shall notify the parties in writing of such requirement, including the fee payable and the terms and conditions for such additional services, and obtain prior written approval of the parties in this regard.

(xiv). In case of any inconsistency or discrepancy between the Project Implementation and Management Agreement and the O&M agreements or construction 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.

(xv). 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.

(xvi). 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.

3. *Indemnity*

The Trustee, the Investment Manager, the initial SPVs 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 fee 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 the Trust, or furnishing wrong information by the Project Manager under the InvIT Regulations or related to the Trust including in any offer documents, or arising out of gross negligence, wilful default, wilful misconduct or fraud on the part of the Project Manager, in carrying out its obligations under the Project Implementation and Management Agreement, the other Trust documents and applicable law. The Trustee and the Investment Manager acknowledge and agree that the maximum aggregate 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, provided that such maximum aggregate liability shall not be applicable in the event such liability of the Project Manager arises out of any gross negligence, wilful default, wilful misconduct or fraud on the part of the Project Manager, as determined by a court of competent jurisdiction.

4. *Termination*

(i). The Project Implementation and Management Agreement shall remain effective, unless terminated by the parties to the Project Implementation and Management Agreement in accordance with the provisions hereto or extended by mutual consent expressed in writing by the parties, for the period that the transmission service agreements are in force or such other period as may be mutually agreed between the Parties ("**Validity Period**").

(ii). Prior to the expiry of its Validity Period, the Project Implementation and Management Agreement, may be terminated:

(a) pursuant to a resolution of the Unitholders, by the Investment Manager after consultation with the Trustee by delivery of a written notice of 30 (thirty) business days, specifying the reasons for such termination, to the Project Manager at any time, subject to the appointment of a new project manager in accordance with the Project Implementation and Management Agreement and the InvIT Regulations;

(b) by the Project Manager, subject to Applicable Law and after the completion of three (3) years of listing of units of the InvIT pursuant to the Offer, by delivery of a written notice of 30 (thirty) business days to the Investment Manager and the Trustee, the appointment of a new project manager in accordance with the Project Implementation and Management Agreement and the InvIT Regulations;

(c) by the Investment Manager after consultation with the Trustee by delivery of a written notice to the Project Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Project Implementation and Management Agreement by the Project Manager and a failure of the Project Manager to remedy the said breach within a period of 90 Business Days or such other period as may be mutually agreed by the parties; or

(d) by any party by delivery of a written notice to the other party upon the bankruptcy of such other party or if insolvency resolution process, winding up or liquidation proceedings, whether voluntary or involuntary, are commenced against such other party (and such proceedings persist for a period of more than three months).

(iii). Notwithstanding anything contained hereinabove, the Trustee in consultation with the Investment Manager shall appoint a new project manager and execute a new project implementation and management agreement within three months from the termination of the earlier project implementation and management agreement in accordance with applicable law. The Trustee and Investment Manager shall also ensure that the new project manager stands substituted as a party in all documents to which the Project Manager was a party. The Project Manager shall remain in office until the appointment of a new project manager. The Project Manager shall continue to be liable for all its acts and omissions and commissions notwithstanding its termination.

(iv). The termination of the Project Implementation and Management Agreement shall not affect the rights and obligations of the parties accrued prior to such termination.

(v). In the event of the termination of the Project Implementation and Management Agreement, the Project Manager shall be compensated:

(a) In accordance with the Project Implementation and Management Agreement, for the services rendered until the date of termination;

(b) for all out of pocket expenses incurred by the Project Manager while performing services in terms of the Project Implementation and Management Agreement up to that date; and

(c) for any damages paid (by whatever name called) or losses incurred by the Project Manager on account of suspension, termination or cancellation of any arrangements or agreements entered into by the Project Manager with any third party in relation to the provision of services under the Project Implementation and Management Agreement, provided that any compensation payable under this clause shall be payable only upon furnishing of adequate documentation (as the Investment Manager may determine) by the Project Manager to the Investment Manager in support of such payment of damages or incurrence of losses by the Project Manager.

(vi). The amounts accruing under clause (v) above shall be paid to the Project Manager within a period of 30 Business Days from the date of receipt of demand in this regard from the Project Manager failing which the Fees, or any part thereof, which remains outstanding shall attract interest at the rate of 18% per annum on the outstanding amount.

(vii). Notwithstanding anything herein contained, in the event of:

(a) any amendment or supplement or restatement of any of the O&M agreements or execution of a new O&M agreement; or

(b) any amendment or supplement or restatement of any of the construction agreements,

the same shall be deemed to have been incorporated in the Project Implementation and Management Agreement and the Agreement shall stand modified to such extent.

(viii). Notwithstanding anything contained hereinabove:

(a) the termination of any of the O&M Agreements will not result in the termination of the Project Implementation and Management Agreement, and the Project Implementation and Management

Agreement shall continue to be in force in respect of the other O&M agreements that are not terminated and the InvIT Assets; and

(b) the termination of any of the construction agreements will not result in the termination of the Project Implementation and Management Agreement, and the Project Implementation and Management Agreement shall continue to be in force in respect of the other construction agreements that are not terminated and the InvIT Assets.

(ix). Notwithstanding anything contained hereinabove, the Project Implementation and Management Agreement shall automatically terminate: (i) in the event the offer of the Units does not occur within the time period stipulated in the InvIT Regulations, or such other date as may be mutually agreed to between the parties; (ii) in the event of cancellation of the registration of the Trust by SEBI; or (iii) upon winding up of the Trust, in accordance with the InvIT Regulations.

CORPORATE GOVERNANCE

The section below is a summary of the corporate governance framework in relation to the Trust, implemented by the Investment Manager.

1. Investment Manager

The IM Board

Composition of the IM Board

In addition to the applicable provisions of the Companies Act, the IM Board shall adhere to the following:

(a) Not less than 50% of the IM Board shall comprise independent directors and not directors or members of the governing board of the Investment Manager of another infrastructure investment trust registered under the InvIT Regulations;
(b) The collective experience of the 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 IM Board, please see the section entitled "*Parties to the Trust – The Investment Manager – POWERGRID Unchahar Transmission Limited – The IM Board*" on page 102.

Quorum

The quorum of the IM Board shall be at least 50% of the number of directors on the IM Board. At least 50% of the directors present on the IM Board shall be independent directors.

Frequency of meetings

The IM Board shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the IM Board shall meet prior to any meeting of the Unitholders and approve the agenda for Unitholders' meetings.

Remuneration of Directors

The remuneration, including sitting fees, of the directors will be decided by the IM Board from time to time.

Committees of the IM Board

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
Investment Committee	The Investment Committee will comprise at least three members. A majority of the members of the Investment Committee shall be independent directors. The company secretary of the Investment Manager shall act as the secretary to the Investment Committee. The remaining members on the Investment Committee shall have relevant industry experience.	Sunil Kumar Sharma, M.N. Venkatesan and Ashok Kumar Singhal	The quorum shall be at least one-third of the members of the Investment Committee, or two members, whichever is higher, of which at least 50% of the members present shall be independent directors.	The Investment Committee shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings.
Audit Committee	The Audit Committee shall comprise at least three members, and at least 50% of the members of the Audit Committee shall be 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.	M.N. Venkatesan, Sunil Kumar Sharma and Ashok Kumar Singhal	The quorum shall be at least one-third of the members of the Audit Committee or two members, whichever is higher, of which at least two members present shall be independent directors.	The Audit Committee shall meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the Audit Committee shall meet prior to any declaration of distributions and provide recommendations to the IM Board regarding any proposed distributions.

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
Stakeholders' Relationship Committee	The Stakeholders' Relationship Committee shall comprise such number of members constituting at least one third of the IM Board and shall comprise at least three members. At least one member of the Stakeholders' Relationship Committee shall be an independent director. The chairperson of this committee shall be a non-executive director.	Seema Gupta, M.N. Venkatesan and Ashok Kumar Singhal	The quorum shall be at least one-third of the members of the Stakeholders' Relationship Committee or two members, whichever is higher.	The Stakeholders' Relationship Committee shall meet at least four times every year, or as frequently as determined by the IM Board or as directed by the Trustee, with a maximum gap of 120 days between any two successive meetings.

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) review of the investment decisions with respect to the underlying assets or projects of the Trust from the Sponsor including any further investments or divestments to ensure protection of the interest of unitholders;

(ii) undertaking all functions in relation to protection of Unitholders' interests and resolution of any conflicts of interest (other than in relation to investors' grievances) including reviewing agreements or transactions in this regard;

(iii) approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets;

(iv) overseeing activities of the Project Manager in accordance with the InvIT Regulations and the Project Implementation and Management Agreement; and

(v) 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) examination of the financial statement of Investment Manager and the auditors' report thereon;

(ii) provide recommendations to the IM Board regarding any proposed distributions by the Trust;

(iii) overseeing the Trust's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

(iv) giving recommendations to the IM Board regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the statutory auditor of the Trust and the audit fee, subject to the approval of the Unitholders;

(v) reviewing and monitoring the independence and performance of the statutory auditor of the Trust, and effectiveness of audit process;

(vi) approving payments to statutory auditors of the Trust for any other services rendered by such statutory auditors;

(vii) reviewing the annual financial statements and auditor's report thereon of the Trust, before submission to the IM Board 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;

(viii) reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Trust, whether standalone or consolidated or in any other form as may be required under applicable law, before submission to the IM Board for approval;

(ix) reviewing, with the management, the statement of uses/application of funds raised through an issue of units by the Trust (including but not limited to public issue, rights issue, preferential issue, private placements, etc.) and any issue of debt securities, and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the IM Board for follow-up action;

(x) approval or any subsequent modifications of transactions of the Trust with related parties;

(xi) recommending such related party transactions to the IM Board or the Unitholders, as may be required, in terms of the InvIT Regulations;

(xii) scrutinising loans and investments of the Trust;

(xiii) reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;

(xiv) evaluating financial controls and risk management systems of the Trust;

(xv) reviewing, with the management, the adequacy of the internal control systems of the Trust, as necessary;

(xvi) discussion with internal auditors of any significant findings relating to the Trust and follow up there on;

(xvii) reviewing the adequacy of internal audit function if any of the Trust, 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;

(xviii) reviewing the findings of any internal investigations in relation to the Trust, 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 IM Board;

(xix) 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 the Trust 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 fees or charges payable out of the Trust's assets;

(xx) discussing with statutory auditors and valuers of the Trust 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;

(xxi) reviewing and monitoring the independence and performance of the valuer of the Trust;

(xxii) giving recommendations to the IM Board regarding appointment, re-appointment and replacement, remuneration and terms of appointment of the valuer of the Trust;

(xxiii) evaluating any defaults or delay in payment of distributions to the Unitholders or dividends by the SPVs to the Trust and payments to any creditors of the Trust or the SPVs, and recommending remedial measures;

(xxiv) review of management's discussion and analysis of financial condition and results of operations of the Trust;

(xxv) review of statement of significant related party transactions of the Trust, submitted by the management;

(xxvi) granting omnibus approval for related party transactions (which approvals shall be valid for a period not exceeding one year from the date of each such approval, and related party transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee);

(xxvii) review, on a quarterly basis, of the details of related party transactions entered into by the Trust pursuant to the omnibus approval;

(xxviii) review of management letters/letters of internal control weaknesses issued by the statutory auditors of the Trust;

(xxix) giving recommendations to the IM Board regarding audit fee to be paid to the statutory auditors of the Investment Manager and payments for any other services rendered by such Statutory Auditors;

(xxx) approval or any subsequent modification of transactions of the Investment Manager with related parties, in accordance with the provisions of the Companies Act, 2013 and the rules made thereunder;

(xxxi) carrying out any other function in relation to the Investment Manager as mentioned in the terms of reference of audit committees under the Companies Act, 2013 and amendments thereto from time to time; and

(xxxii) 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) consider and resolve grievances of the Unitholders, including complaints related to the transfer of Units, non-receipt of annual report and non-receipt of declared distributions;

(ii) review of any litigation related to Unitholders' grievances;

(iii) update Unitholders on acquisition / sale of assets by the Trust and any change in the capital structure of the SPVs;

(iv) reporting specific material litigation related to Unitholders' grievances to the IM Board; and

(v) approve the report on investor grievances to be submitted to the Trustee.

In addition to the aforementioned committees of the IM Board, the IM Board has also constituted a corporate social responsibility committee ("**CSR Committee**") whose functions include (i) to formulate and recommend to the IM Board, a corporate social responsibility policy ("**CSR Policy**") which shall indicate the activities to be undertaken by the Investment Manager as per the Companies Act, 2013, (ii) to review and recommend the amount of expenditure to be incurred on the activities to be undertaken by the Investment Manager, (iii) to monitor the CSR Policy of the Sponsor from time to time (being a wholly owned subsidiary of the Sponsor), and (iv) any other matter as the CSR Committee may deem appropriate after approval of the IM Board or as may be directed by the IM Board from time to time.

Policies of the IM Board in relation to the Trust

The Investment Manager has adopted the following policies in relation to the Trust:

(a) Distribution Policy

The Investment Manager has adopted the Distribution Policy pursuant to a resolution of the IM Board dated January 21, 2021, in relation to Trust. For details of the Distribution Policy, please see the section entitled "*Distribution*" on page 194.

(b) UPSI Policy

The Investment Manager has adopted the UPSI Policy pursuant to a resolution of the IM Board on January 21, 2021. The purpose of the policy is, *inter alia*, to ensure that the Trust complies with applicable law, including the InvIT Regulations or such other Indian laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information ("**UPSI**").

The key principles of the UPSI Policy are set out below:

(i). the Investment Manager shall promptly disclose to the public all UPSI that would impact price discovery no sooner than credible and concrete information comes into being in order to make such information generally available;

(ii). the Investment Manager shall follow uniform and universal dissemination of UPSI to avoid selective disclosure;

(iii). the Compliance Officer shall be responsible for deciding whether a public announcement is necessary for verifying or denying rumours and then making the disclosure, in accordance with the procedure specified in the Materiality of Information Policy;

(iv). the Compliance Officer shall also make an appropriate and fair response to the queries on news reports and requests for verification of market rumours by regulatory authorities, in accordance with the procedure specified in the Materiality of Information Policy. Further, no employee or representative of the Investment Manager who is in receipt of any inquiries relating to the Trust, including from any investors, shall respond to such inquiries. Such employee or representative of the Investment Manager shall refer the inquirer to the Compliance Officer or any person authorised by the Board to deal with inquiries;

(v). while dealing with analysts or research persons or large investors like institutions, the Investment Manager shall provide only public information. Alternatively, the information given to analysts or research persons shall be simultaneously made public at the earliest;

(vi). the Investment Manager shall handle all UPSI on a "need to know" basis, provided that UPSI may be disclosed to persons who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Trust; and

(vii). in case of conflict between the provisions of the UPSI Policy and applicable law, provisions of the applicable law will prevail over the provisions of the UPSI Policy.

Further, the UPSI Policy also provides the process and procedures for closure of the trading window for dealing in Units, pre-clearance of dealing in units and approval requirements, disclosure by insiders, inquiry into leak of any UPSI and handling and investigation into complaints by whistleblowers.

(c) Code of Conduct (the "Code")

The Investment Manager has adopted the Code pursuant to a resolution of its board of directors dated January 21, 2021, in relation to the Trust. Trust and the Parties to the Trust shall comply with the Code at all time, in accordance with the InvIT Regulations.

The key principles of the Code are set out below:

(i). the Trust and the Parties to the Trust shall conduct all the affairs of the Trust in the interest of all the Unitholders;

(ii). the Trust and the Parties to the Trust shall make adequate, accurate, explicit and timely disclosure of relevant material information to all Unitholders, the Stock Exchange and SEBI in accordance with the InvIT Regulations and as may be specified by the stock exchanges from time to time;

(iii). the Trust and the Parties to the Trust shall try to avoid conflicts of interest, as far as possible, in managing the affairs of the Trust and keep the interest of all Unitholders paramount in all matters. In case such events cannot be avoided, it shall be ensured that appropriate disclosures are made to the Unitholders and they are fairly treated;

(iv). Further to (iii) above, the Investment Manager shall try to avoid conflicts of interest, as far as possible, in relation to the Investment Manager Projects (as defined in the Investment Management Agreement) that the Investment Manager may undertake from time to time. In case such events cannot be avoided, the Investment Manager shall ensure: (i) compliance with the InvIT Regulations; (ii) fair treatment of Unitholders; and (iii) that all appropriate disclosures, as may be required under the InvIT Regulations, are made to the Unitholders;

(v). the Trust and the Parties to the Trust shall ensure that fees charged by them with respect to activities of the Trust shall be fair and reasonable;

(vi). the Investment Manager shall carry out the business of the Trust and invest in accordance with the investment objectives (as disclosed in the Draft Offer Document, the Offer Document and this Final Offer Document) and take investment decisions solely in the interest of Unitholders;

(vii). the Trust, the Parties to the Trust and any third party appointed by the Investment Manager shall not use any unethical means to sell, market or induce any person to buy units of the Trust and where a third party appointed by the Investment Manager fails to comply with this condition, the Investment Manager shall be held liable for the same;

(viii). the Trust and the Parties to the Trust shall maintain high standards of integrity and fairness in all their dealings and in the conduct of their business;

(ix). the Trust and the Parties to the Trust shall render at all times high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment; and

(x). the Trust and the Parties to the Trust shall not make any exaggerated statement, whether oral or written, either about their qualifications or capabilities or experience.

(d) Borrowing Policy

The Investment Manager is required to ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. Accordingly, the Investment Manager, has adopted the Borrowing Policy pursuant to the resolution of the IM Board dated January 21, 2021. For details of the Borrowing Policy, please see the section entitled *"Financial Indebtedness and Deferred Payments – Borrowing Policy"* on page 167.

(e) Policy on appointment of the auditor and valuer of the Trust

For details on the Policy on appointment of the auditor and the valuer of the Trust, adopted by the IM Board pursuant to its resolution dated January 21, 2021, please see "*Other Parties Involved in the Trust – Policy on appointment of auditor and valuer of the Trust*" on page 127.

(f) Policy for Determining Materiality of Information for Periodic Disclosures of the Trust ("Materiality of Information Policy")

The Investment Manager has adopted the Materiality of Information Policy pursuant to a resolution of its board of directors dated January 21, 2021, in relation to Trust. The Materiality of Information Policy aims to outline process and procedures for determining materiality of information in relation to periodic disclosures on the Trust's website, to the stock exchanges and to all stakeholders at large, in relation to the Trust. The key principles of the Materiality of Information Policy are set out below:

(i). any information concerning the Trust is considered material to the business and affairs of the Trust if (i) it results in, or would reasonably be expected to result in a significant change in the market price or value of units of the Trust; or (ii) if there is a substantial likelihood that a reasonable Unitholder would consider it important in determining whether to buy, sell or hold, or engage in other transactions concerning the Trust's units; or (iii) the investor would consider important in making an investment decision.

(ii). certain events or information, as specified in the Materiality of Information Policy, shall be deemed to be material information and against which the Trust shall not be required to apply the criteria for determining materiality of information, and are deemed material information;

(iii). the Trust shall use certain criteria for determination of materiality of events or information other than for the deemed material information, as specified in the Materiality of Information Policy;

(iv). the Trust shall also submit such information to the designated stock exchanges and Unitholders on a periodical basis as may be required under the listing agreements. Further, the Trust shall disclose all such information as may be specified by SEBI to the designated stock exchange(s), Unitholders and SEBI, in the manner as may be specified by SEBI; and

(v). the policy also provides for the approval process for disclosure or dissemination of any material or unpublished price sensitive information on behalf of the Trust and authorises the compliance officer and other authorised persons to make the disclosures, as may be required.

(g) Policy on Related Party Transactions ("RPT Policy")

The Investment Manager has adopted the RPT Policy pursuant to a resolution of its board of directors dated January 21, 2021, in relation to Trust. The RPT Policy is adopted to regulate the transactions of the Trust with its related parties based on the laws and regulations applicable to the Trust and best practices with the objective of ensuring proper approval, supervision and reporting of the transactions between the Trust and its related parties. For details of the RPT Policy, please see "*Related Party Transactions – Procedure for dealing with Related Party Transactions*" on page 197.

The Investment Manager undertakes on behalf of the Trust that it shall comply with such disclosure and accounting norms as specified by SEBI from time to time.

2. Initial Portfolio Assets

Representatives on the board of directors of each Initial Portfolio Asset

Pursuant to joint letters, each dated March 3, 2021, the Sponsor and the Investment Manager have agreed that from the date of the amendment of the respective articles of association of the Initial Portfolio Assets, directors appointed by the Sponsor on the board of directors of each Initial Portfolio Asset shall be considered as appointees of the Investment Manager. Accordingly, as on the date of this Final Offer Document, all directors on the boards of directors of the Initial Portfolio Assets are appointees of the Investment Manager.

OTHER PARTIES INVOLVED IN THE TRUST

The Auditor

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed S.K. Mittal & Co., Chartered Accountants (Firm Registration No. 001135N) pursuant to an appointment letter dated January 29, 2020, as the auditors of the Trust for Fiscal 2021, subject to approval of the Unitholders each year. The Auditors have audited the Combined Financial Statements and have examined the Projections of Revenue from Operations and Cash Flow from Operating Activities, and their reports in relation to such Combined Financial Statements and Projections of Revenue from Operations and Cash Flow from Operating Activities, each dated January 21, 2021, have been included in this Final Offer Document.

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 the Trust and draft the audit report based on the accounts examined 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 the Trust, 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 the Trust; and

4. the Auditor shall have a right to require such information and explanation pertaining to activities of the Trust as he may consider necessary for the performance of his duties as auditor from the employees of the Trust or holding company or Parties to the Trust or holding company 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 RBSA Valuation Advisors LLP pursuant to a notification of award dated August 10, 2020, as the valuers of the Trust, for a period of one year. In accordance with the InvIT Regulations, the Valuer has undertaken a full valuation of the Initial Portfolio Assets which are proposed to be acquired by the Trust, and their report in relation to such valuation as on December 31, 2020, has been included in this Final Offer Document.

Functions 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 the Trust 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 the Trust, shall not, (i) invest in units of the Trust or in the assets being valued; and (ii) sell the assets or units of the Trust held prior to being appointed as the Valuer, until the time such person is designated as valuer of the Trust and not less than six months after ceasing to be valuer of the Trust;

6. the valuer shall conduct valuation of the Trust’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 the Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;

9. the valuer shall not accept remuneration, in any form, for performing a valuation of the Trust's assets from any person other than the Trust or its authorized representative;

10. the valuer shall before accepting any assignment, from any related party of the InvIT, disclose to the Trust any direct or indirect consideration which the valuer may have in respect of such assignment;

11. the valuer shall disclose to the Trust any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom the Trust 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; and

15. the valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

Policy on appointment of auditor and valuer of the Trust (the "Appointment Policy")

The board of the Investment Manager has adopted the Appointment Policy pursuant to its resolution dated January 21, 2021. The key terms of the Appointment Policy are set out below:

Appointment and role of the Auditor of the Trust

1. The Investment Manager, in consultation with the trustee to the Trust, shall appoint the auditor of the Trust, in a timely manner and in accordance with the InvIT Regulations.

2. The Investment Manager shall ensure that the appointment of the auditor of the Trust and the fees payable to the auditor of the Trust is approved by the Unitholders in accordance with the InvIT Regulations.

3. The Investment Manager shall ensure that if the removal of the auditor of the Trust and appointment of another auditor to the Trust is taken up at a meeting of the Unitholders at the request of the Unitholders, such removal of the auditor of the Trust shall be approved by the Unitholders in accordance with the InvIT Regulations.

4. The Investment Manager shall appoint an auditor to the Trust for a period of not more than five consecutive years; provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of Unitholders in the annual meeting in accordance with the InvIT Regulations.

5. The Investment Manager shall ensure that the audit of accounts of the Trust by the auditor is done not less once in a year and such report is submitted to the stock exchanges within the timelines prescribed under the InvIT Regulations.

6. The auditor shall conduct the audit of the accounts of the Trust and draft the audit report based on the accounts examined by it after taking into account the relevant accounting and auditing standards under applicable law including the InvIT Regulations and any guidelines, circulars, notifications and clarifications framed or issued by SEBI, as may be specified from time to time.

7. The auditor of the Trust shall comply with the conditions prescribed under the InvIT Regulations at all times, including the following:

   (a). the accounts of the Trust shall be subjected to audit by the auditor of the Trust and shall be accompanied by a report of the auditor in such manner and at such intervals as may be prescribed under applicable law, including the InvIT Regulations;

(b). the auditor of the Trust 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 the Trust, including profit or loss and cash flow for the period and such other matters as may be specified by SEBI;

(c). the auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and

(d). the auditor shall have a right to obtain such information and explanation pertaining to activities of the Trust as he may consider necessary for the performance of his duties as auditor from the employees of Trust or any holding company or parties to the Trust or any holding company or the special purpose vehicle(s) or any other person in possession of such information.

8. The Investment Manager, in consultation with the Trustee, shall have the right to take all necessary steps to remove the auditor of the Trust who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law. In case of removal of the auditor and appointment of another auditor to the Trust, approval from the Unitholders shall be required in accordance with the InvIT Regulations.

Appointment and role of the Valuer of the Trust

9. The Investment Manager, in consultation with Trustee, shall appoint the valuer of the Trust, in a timely manner and shall determine the remuneration of such valuer, in accordance with the InvIT Regulations.

10. The remuneration of the valuer shall not be linked to or based on the value of the assets being valued.

11. The valuer shall not be an associate of any of the Sponsor or the Investment Manager or Trustee.

12. The valuer shall be eligible to act as a valuer in accordance with the InvIT Regulations or any clarifications, guidelines, notifications or exemptions issued by SEBI.

13. The valuer shall not undertake valuation of the same project for more than four years consecutively, provided that the valuer may be reappointed after a period of not less than two years from the date it ceases to be the valuer of the Trust.

14. The valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the valuer was engaged by the Trust for such acquisition or disposal.

15. The valuer shall comply with the following conditions at all times:

(a) the valuer shall ensure that the valuation of the Trust assets is impartial, true and fair and is in accordance with the InvIT Regulations;

(b) the valuer shall ensure adequate and robust internal controls to ensure the integrity of its valuation reports;

(c) the valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;

(d) the valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;

(e) the valuer and any of its employees involved in valuing of the assets of the Trust, shall not:

  (i) invest in units of the Trust or in the assets being valued; and

  (ii) sell the assets or units of the Trust held prior to being appointed as the valuer,

  (iii) until the time such person is designated as valuer of the Trust and not less than six months after ceasing to be valuer of the Trust;

(f) the valuer shall conduct valuation of the Trust 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;

(g) the valuer shall act with independence, objectivity and impartiality in performing the valuation;

(h) the valuer shall discharge its duties towards the Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;

(i) the valuer shall not accept remuneration, in any form, for performing a valuation of the Trust assets from any person other than the Trust or its authorized representative;

(j) the valuer shall before accepting any assignment, from any related party of the Trust, disclose to the Trust, by disclosing to the Investment Manager or the Trustee, any direct or indirect consideration which the valuer may have in respect of such assignment;

(k) the valuer shall disclose to the Trust, through the Investment Manager, any pending business transactions, contracts under negotiation and other arrangements with the Investment Manager or any other party whom the Trust 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, and other necessary disclosures required under the InvIT Regulations;
(l) the valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
(m) the valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
(n) the valuer shall not accept an assignment which interferes with its ability to do fair valuation; and
(o) the valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

16. The Investment Manager in consultation with the Trustee shall have the right to take all necessary steps to remove a valuer who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law. If the removal of a valuer and appointment of another valuer to the Trust is taken up at a meeting of the Unitholders at the request of the Unitholders, such removal of a valuer shall be approved by the Unitholders in accordance with the InvIT Regulations.

OVERVIEW OF THE POWER INDUSTRY IN INDIA

Unless otherwise indicated, all statistical and other information in this section has been obtained or derived from publicly available documents prepared by various sources, including officially prepared materials from the Government and its various ministries and from various multilateral institutions. This information has not been prepared or independently verified by the Sponsor, Investment Manager or any of their respective advisors, and should not be relied on as if it had been so prepared or verified. Unless otherwise indicated, the data presented exclude captive generation capacity and generation. The industry information included in this section may moreover be prepared as of specific dates and may no longer be current or reflect current trends, or may be based on estimates, projections, forecasts and assumptions that may prove to be incorrect. Bidders should not place undue reliance on this industry information.

THE INDIAN POWER SECTOR

Electricity is an essential requirement for all facets of our life. It has been recognized as a basic human need. It is a critical infrastructure on which the socio-economic development of the country depends (Source: National Electricity Policy, Ministry of Power, 2005). Power Sector is a strategic and critical sector and power supply system supports the entire economy and day to day life of the citizens of India (Source: Order of the Ministry of Power, Government of India, dated July 2, 2020).

Whilst India is the third largest producer of electricity in the world, in 2014, the share of electricity in India's final energy demand was only 17% compared with 23% in the member countries of Organization for Economic Cooperation and Development (OECD) and ranks well below the global average in electricity consumption (Source: Draft National Energy Policy, NITI Aayog, 2017 (the "**Draft NEP**")). The Draft NEP envisages the share of electricity in India's total energy consumption to rise to about 26% in 2040.

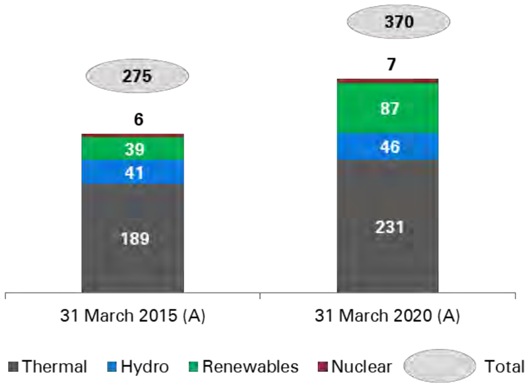
India has a very dynamic and diversified power sector, characterized by the presence of varied power generation sources including conventional sources as well as renewable energy sources, a synchronously operating national grid comprising inter-regional, regional and state grids and a distribution sector providing electricity to end consumers. The development of adequate electricity infrastructure is essential for sustained growth of economy as well as for energy security.

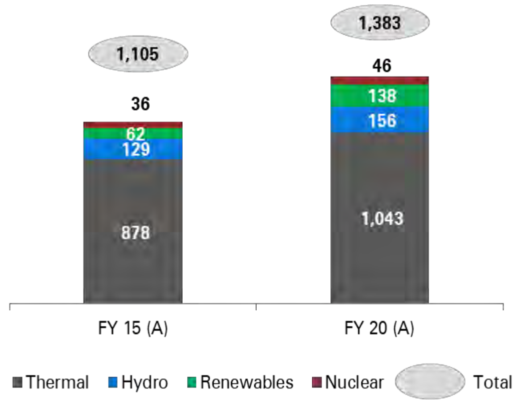
The three segments of power supply delivery chain are generation, transmission and distribution. Generation is distributed across Central (comprising approximately 25% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020), State (comprising approximately 28% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020) and private sector (comprising approximately 47% of the total installed capacity of power stations based on the type of ownership as on March 31, 2020) entities (Source: All India Installed Capacity Report published by the CEA in March 2020). The transmission sector is divided into inter-state and intra-state transmission projects, in addition to some dedicated transmission projects, and is owned by across Central, State and private sector entities. In addition, transmission network also includes cross-border interconnections with neighboring countries viz, Bangladesh, Bhutan, Nepal and Myanmar to facilitate optimal utilization of resources (Source: Ministry of Power Annual Report 2019 - 2020). The distribution sector is largely owned by States with participation from private sector in some areas. The overall grid management is carried out by different agencies including POSOCO (through NLDC at the Central level and RLDCs at the regional level) and states through their SLDCs in a coordinated manner. The CERC is the regulator at the Central level while SERCs and Joint Electricity Regulatory Commissions regulate the sector at the States and Union Territories level.

Overview of the Indian Power Sector

Generation (Installed Capacity)

The Indian power sector has grown significantly in size and capacity since independence. Generation capacity, which was about 1,362 MW at the time of independence in 1947, has increased to about 370 GW as of March 31, 2020. Of this generation capacity, renewable energy ("**RE**") sources constitute 87 GW (comprising approximately 24% of the total installed capacity of power stations based on the mode of generation as on March 31, 2020) (Source: CEA All India Installed Capacity Report, March 2020). Contribution of RE sources to electricity generation has increased from approximately 6% in Financial Year 2015 (Source: CEA Executive Summary – Power Sector, March 2015) to approximately 10% in Financial Year 2020 (Source: CEA Executive Summary – Power Sector, March 2020). For Financial Year 2020, India's electricity generation was dominated by thermal, followed by hydro, renewable and nuclear energy (Source: CEA Executive Summary – Power Sector, March 2020; CEA Generation Overview Report – Actual, March 2020).

<table>
<tr><th>All India Installed Capacity (GW)</th><th>All India Source Wise Energy Generation (BU)</th></tr>
<tr><td>


(A)- Actual
</td><td>


(A)- Actual
</td></tr>
</table>

Source: CEA All India Installed Capacity Report, March 2015; CEA Executive Summary – Power Sector, March 2015; CEA Executive Summary – Power Sector, April 2016; CEA All India Installed Capacity Report, March 2020; CEA Executive Summary – Power Sector, March 2020; CEA Generation Overview Report – Actual, March 2020

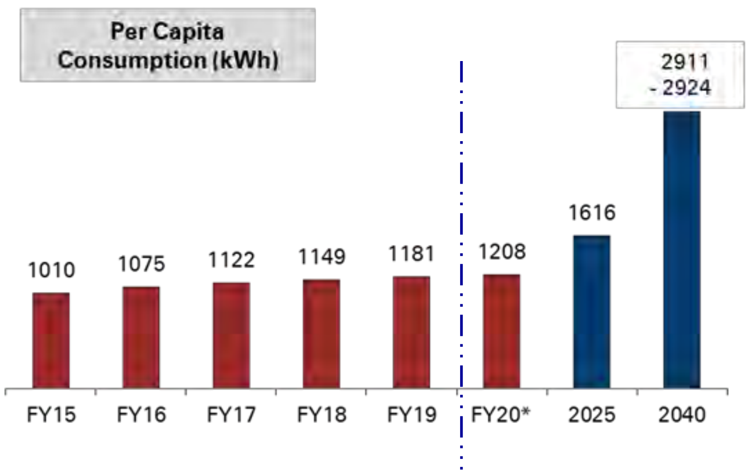
Power Demand & Supply

Peak power and energy deficits have considerably reduced over the years. For the year ended 2019-20, peak power and energy deficits were 0.70% and 0.50%, respectively, substantially lower than 10.60% and 8.50%, respectively, recorded for the year ended 2012 (Source: Power Supply Position Reports published by the CEA for March 2020 and March 2012). The shortages in energy and peak power have been reduced primarily due to addition in generation capacity, expansion of transmission systems and accomplishment of 'One Nation - One Grid - One Frequency' which has led to the creation of a vibrant electricity power market in India.

However, despite reduction in peak power and energy deficits over the years, many parts of the country continue to face power shortages due to inadequate growth of transmission and distribution infrastructure in the States and poor financial health of the State power utilities. For the distribution sector Government of India has undertaken a number of policy and reform based initiatives like Pradhan Mantri Sahaj Bijli Har Ghar Yojana ("**SAUBHAGYA**"), Affordable 24x7 Power for All, Integrated Power Development Scheme ("**IPDS**"), Ujwal DISCOM Assurance Yojana Scheme ("**UDAY**"), Unnat Jyoti by Affordable LEDs for All ("**UJALA**") and the recently introduced initiatives as part of Aatmanirbhar Bharat Abhiyan.

While, the per capita electricity consumption in India has increased by about 20% from 1,010 kWh in Financial Year 2015 to 1,208 kWh in Financial Year 2020 (Source: CEA Executive Summary on Power Sector, May 2020 (Provisional)), it continues to be significantly lower than the world average per capita consumption, which was more than 3,200 kWh as on March 31, 2018 (Source: National Infrastructure Pipeline: Volume II, Report of the Task Force, Department of Economic Affairs, Ministry of Finance, Government of India ("**NIP**")).

All India Annual Per Capita Consumption of Electricity



Source: CEA Executive Summary on Power Sector, May 2020 (Provisional), NIP, DNEP

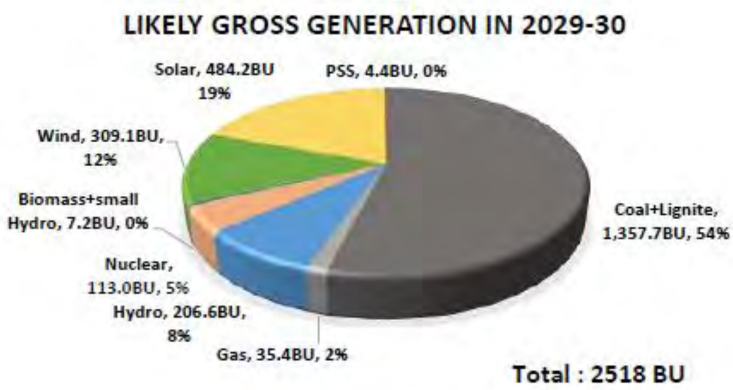
The low per capita consumption of electricity in India compared to the world average presents significant potential for sustainable growth in the demand for electric power in India. The NIP has set a vision of per capita consumption at 1,616 units by 2025 and the Draft National Energy Policy ("**DNEP**") published by the Government in June 2016 has envisaged India's per capita annual electricity consumption to increase to 2,911 - 2,924 kWh by 2040.

Development of Renewables in India

The RE sector in India is emerging as a significant player in the grid connected power generation capacity and it is gearing up to play a much bigger role in achieving energy security in the years ahead and be an integral part of the energy planning process.

There has been a significant increase in RE capacity in the country during the last decade. The installed capacity of renewables in India was 15,521.11 MW as at the end of March 2010 (Source: CEA Executive Summary on Power Sector, March 2010) and the same had grown to 87,027.68 MW at the end of March 2020 (Source: CEA All India Installed Capacity Report, March 2020).

In view of the consistency in policy push for RE by the Government and its aim to have 40% of the total installed capacity by the year 2030 based on non-fossil fuel sources, the RE sector is poised for a quantum jump (Source: CEA Final Report on Optimal Generation Capacity Mix for 2029-30, January 2020). CEA has envisaged installed generation capacity of 817 GW by 2029-30, of which RE (solar and wind) is expected to be approximately 420 GW. Further, the projected gross electricity generation (BU) during the year 2029-30 is likely to be 2,518 BU, of this 31% is expected to be contributed by RE (solar + wind) (Source: CEA Final Report on Optimal Generation Capacity Mix for 2029-30, January 2020).



In 2015, the Government of India announced a target for 175 GW cumulative renewable power installed capacity by the year 2022. This includes 100 GW from solar, 60 GW from wind, 10 GW from biomass and 5 GW from small hydro power. The Prime Minister in his address to Climate Action Summit stated that "*Our renewable energy capacity is the fourth largest in the world. It will reach 175 GigaWatts before 2022. And, we have an even more ambitious target now - 450 GigaWatts of renewable energy capacity by 2030*." (Source: Press Information Bureau, Government of India).

To achieve its set targets of RE installed capacity, India has taken several policy initiatives for encouraging investment in RE generation sources.

Demand and Capacity Projections

The peak power demand has increased from approximately 148 GW in Financial Year 2015 (Source: Power Supply Position Report published by the CEA for March 2015) to approximately 184 GW in March 2020 (Source: Power Supply Position Report published by the CEA for March 2020) and may increase to about 340 GW by 2030 (Source: CEA Final Report on Optimal Generation Capacity Mix for 2029-30, January 2020).

Electric Power Transmission – A Strategic and Critical Segment of Power Supply Value Chain

The transmission of electricity is typically defined as the bulk transfer of power over a long distance at a high voltage, generally 132 kV and above. A reliable transmission system is important for the proper and efficient transfer of power from generating stations to load centers. Power transmission is a very important and vital link in the power sector value chain, as it connects the generating sources to the load centres. In order to ensure the reliable supply of power, efficient utilization of generating capacity and effective exploitation of unevenly distributed generating resources in the country so as to optimize their potential, a strong interconnected transmission grid is required, which interconnects various generating stations and load centers. This ensures an uninterrupted supply of power to a load centre, even if there is a failure at any connected generating station or a maintenance shutdown. In addition, power can be transmitted through an alternative route if a particular section of the transmission system is unavailable.

Transmission being a regulated activity, involves intervention of various players. The Central Government is responsible for facilitating transmission and supply, particularly, inter-state, regional and inter-regional transmission. Inter-regional transmission networks are required in India because power generation sources are unevenly distributed and power needs to be carried over large distances from areas where power is generated to areas where load centers and demand exist.

The transmission projects, established subsequent to a comprehensive consultative process involving various stakeholders and the Government's long-term vision, are a vital part of the power sector, which has been identified by the Government as a strategic and critical sector (Source: Order of the Ministry of Power, Government of India, dated July 2, 2020).

A transmission and distribution system is typically comprised of transmission lines, sub-stations, switching stations, transformers and distribution lines.

The Transmission Sector in India

In India, the transmission system is a two-tier structure comprising intra-state grids and inter-state transmission system ("**ISTS**") grids, in addition to a few dedicated transmission lines. Power Grid Corporation of India Limited ("**POWERGRID**") is the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres. As of August 31, 2020, POWERGRID's share in India's cumulative inter-regional power transfer capacity is more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID).

The Indian power system is divided into five regions namely the northern, eastern, western, southern and north-eastern regions. Regional or inter-state grids facilitate the transfer of power across the states within and outside the region. Presently, all the five regional grids viz. northern, eastern, western, southern and north-eastern regions are operating in one synchronous mode with total installed capacity of approximately 370 GW as on March 31, 2020 (Source: All India Installed Capacity Report published by the CEA in March 2020).

The Indian power transmission system has come a long way from the time of independence, when transmission power systems in India were isolated systems developed in and around urban and industrial areas and the State electricity boards ("**SEBs**") were responsible for development of generation, transmission, distribution and utilization of electricity in their respective states. In the eighties, the process of setting up the national grid was initiated with the formation of POWERGRID. POWERGRID was *inter alia* made responsible for planning and co-ordination relating to ISTS with the Central Government, CEA, regional power committees, STUs and transmission licensees, including inter-regional links. Development of a national grid started with the establishment of limited capacity asynchronous links between the regions for transfer of operational surplus power from one region to other. With the establishment of large capacity pit head power plants having beneficiaries in other regions, AC and HVDC bi-pole links were implemented between regions. In order to facilitate optimal utilization of unevenly distributed natural energy resources, the focus of planning the generation and the transmission system in the country shifted from regional self-sufficiency to national level. High capacity corridors, comprising 765 kV D/C and ±800 kV, 6000 MW HVDC inter-regional links have been implemented for transfer of power from generating stations located in resource rich areas to the load centres.

With the thrust on harnessing energy from RE sources, integration of RE resources with the grid is India's top priority for both energy security and carbon emission reduction. The Government is taking various initiatives towards achievement of its set targets. The Green Energy Corridors ("**GEC**") scheme comprising transmission strengthening both at inter-state and intra-state levels and establishment of RE management centres is a major initiative in this direction. POWERGRID has completed the ISTS portion of the GEC Scheme (Source: CEA).

A number of smart grid technologies like Optical Fibre based communication systems, FACTS, STATCOMs, Wide Area Measurement System too have been put into operation for improving the reliability and stability of the grid. The evolution of the national grid operating at a single frequency has facilitated the development of a vibrant electricity market in the country, enabling access to affordable power.

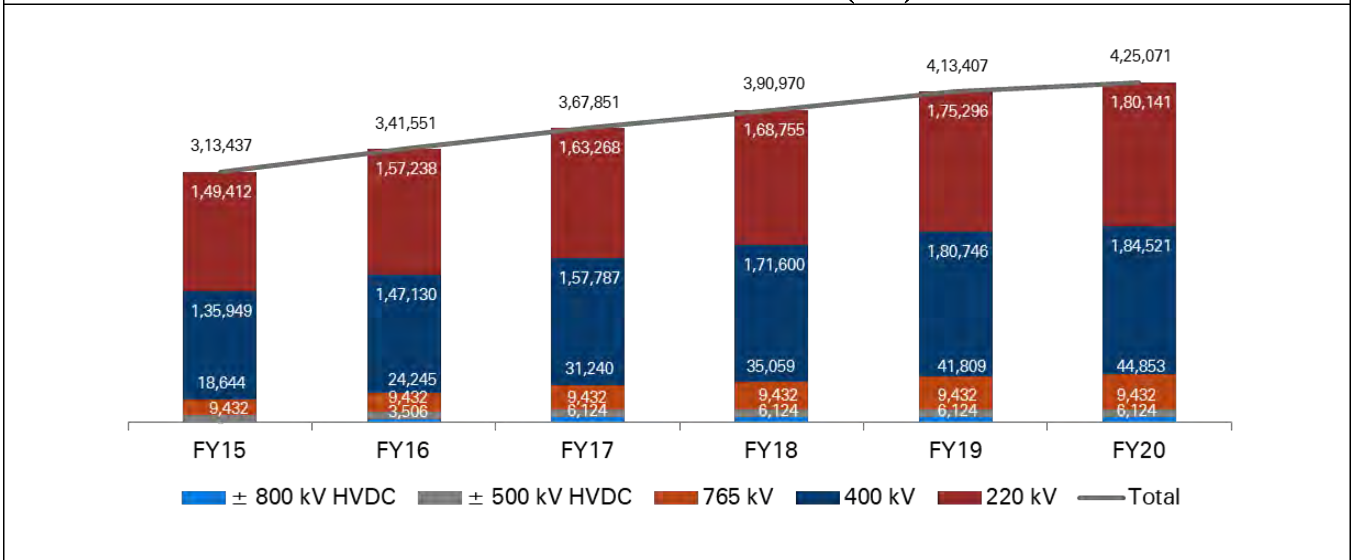
Various electrical interconnections with neighbouring countries like Nepal, Bhutan, Bangladesh and Myanmar exist, which are being further strengthened for increased mutual exchange of power.

Growth in Transmission network in India

As of March 31, 2020, the transmission lines at 220kV and above voltage levels in India aggregated to a total length of 425,071 circuit kilometres (ckm) (Source: CEA Executive Summary on Power Sector, March 2020), growing at a CAGR of 6% since 2015.

Inter-state transmission has seen considerable growth in the past decade, which led to the creation of a synchronous National Grid, achievement of 'One Nation-One Grid-One Frequency', which has been an enabler for power markets in the country. The total inter-regional transmission capacity of the National Grid was 102,050 MW as on March 31, 2020 (Source: CEA Executive Summary on Power Sector, March 2020), and approximately 85% of it was owned and operated by POWERGRID.

Power Transmission Lines in India (ckm)



Sources:
(1) NIP
(2) CEA Executive Summary on Power Sector, March 2020

Cross-Border Interconnection

India, being centrally placed in South Asian region and sharing political boundaries with neighboring countries, namely, Nepal, Bhutan, Bangladesh and Sri Lanka and is playing a major role in facilitating development of cross-border inter-connection and economy of operation for effective utilization of regional resources. At present, India is having a cumulative cross-border power transmission capacity of about 3,830 MW with neighboring countries, viz., Bangladesh, Bhutan, Nepal and Myanmar and is further collaborating with them to augment the transmission capacity to about 7,410 MW in the coming years.

Indian Transmission Sector Outlook

NIP has estimated a cumulative capital expenditure of approximately ₹ 21 lakh crore in the area of power and renewable energy, accounting for more than 20% of the total pipeline. NIP has set a 'Vision 2025' for the power sector, salient features of which include:

- 24 x 7 clean and affordable power for all;
- total capacity: 583 GW (share: thermal - 50%; renewable - 39%);
- reduction in share of thermal capacity and increase in share of RE capacity;
- RE share in consumption to increase to approximately 20%;
- growth in per capita consumption to 1,616 units;
- promotion of grid storage and offshore wind energy;
- reforms in distribution in the areas of open access, cost reflective tariffs, smart metering, use of digital platforms; and
- EV charging infrastructure.

(Source: NIP)

Growing power demand as a result of the Government's focus on improving the distribution sector: the last mile in power sector, addition of RE capacity, addition of capacities in conventional generation sources, cross-border linkages and adoption of new technologies to address challenges linked to RE integration, are likely to be the growth drivers for power transmission in India.

As per NIP, an estimated total capital expenditure of ₹ 3,040,500 million would be incurred on electricity transmission projects over financial years 2020 to 2025.

Private Investments in Electric Power Transmission

In 1998, the Electricity Laws (Amendment) Act was enacted, which recognized transmission as an independent activity, distinct from generation and distribution, and allowed private investment in the sector.

In 2000, the Government issued guidelines whereby the State transmission utilities (STUs, SEBs or their successor entities) and the CTU could identify transmission projects for the intra-state and the inter-state/inter-regional transmission of power, respectively. The STUs and the CTU could invite private companies to implement these projects through independent power transmission companies or on a joint venture basis.

The Tariff Policy 2016 published in January 2016 stipulates that all future inter-state transmission projects are ordinarily required to be developed through a competitive bidding process. However, the Government 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 State electricity regulatory commission ("**SERC**").

The Government has issued tariff-based competitive bidding guidelines for transmission services and bid process management and also issued guidelines for encouraging competition in development of transmission projects. As far as intra-state projects are concerned, the State Governments may adopt these guidelines and may constitute similar committees for facilitation of transmission projects within the State. The States also have the option to use viability gap funding based model transmission agreement document of the erstwhile Planning Commission of India for development of transmission system in their States under public private partnership mode (Source: *Draft Guidelines for Encouraging Competition in Development of Transmission Projects, February 2020*).

TARIFF BASED COMPETITIVE BIDDING ("TBCB")

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 public sector undertakings ("**PSU**") borrowings were unable to fund this growing need. Keeping this in mind, the Electricity Act permitted competition in the power sector, including in the power transmission sector. Promotion of competition in the electricity industry in India is one of the key objectives of the Electricity Act, 2003. As per the provisions under Section 63 of the Electricity Act, 2003 and the Tariff Policy dated 6th January, 2006, Ministry of Power issued "Guidelines for Encouraging Competition in Development of Transmission Projects" and Tariff Based Competitive Bidding Guidelines for Transmission Services" (the "**Guidelines**"). These Guidelines laid down a transparent procedure for facilitating competition in the transmission sector through wide participation in providing transmission services and tariff determination through a process of tariff based competitive bidding.

As envisaged in the Guidelines, Ministry of Power has constituted a committee (National Committee on Transmission) to identify inter-state transmission projects to be developed through competitive bidding and to oversee the process of competitive bidding. Ministry of Power has also issued standard bidding documents, such as request for qualification ("**RFQ**"), request for proposal ("**RFP**"), transmission service agreements and share purchase agreements, and also appointed PFC Consulting Limited and REC Transmission Projects Company Limited as the bid process coordinators (each, a "**BPC**") for carrying out the bidding process (Source: Private Participation in Transmission Sector, Ministry of Power, Government of India).

Bidding Process under TBCB Route

Projects are bid for under a build, own, operate and maintain ("**BOOM**") model as per standard bidding documents notified by the MoP, which comprises a request for proposal and request for quotation and standard form transmission agreement and share purchase agreement. The annual transmission charge for a 35-year period is discovered through this bidding process.

The bidder, whose bid is evaluated by the BPC as the lowest annual levelised tariff, is selected. The successful bidder is then required to acquire a special purpose vehicle ("**SPV**"), incorporated by the BPC. Once the process of acquisition is complete, the SPV approaches CERC to obtain a transmission license and for adoption of transmission charges.

The bidding process is undertaken by the BPC under a well-defined framework stipulated by MoP. The standard bidding document of the MoP comprises bidding documents i.e. the RFQ and RFP for the purpose of bidding. The bidding documents include details of the project, such as, construction milestones, financial and technical qualification requirements to be met by the bidders, details of the model transmission service agreements, other technical, operational and safety criteria and bid evaluation methodology. After the submission of bids, a bid evaluation is undertaken by a committee comprising at least one member from the CEA. The bidder, whose bid is evaluated by the BPC as having quoted the lowest annual levelised tariff, is considered for the award. After selection, the bidder is required to acquire the project SPV from the BPC and make applications to CERC for grant of transmission license and for adoption of transmission charges. The successful bidder is designated as the transmission service provider ("**TSP**"). The TSP commissions the line as per the schedule specified in the transmission service agreement with the long term service customers, the effective date for start of project development being the date of acquisition of SPV by the TSP. In case the TSP commissions the project early, it is eligible to declare the COD as per such early commissioning date, subject to certain conditions.

Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("CERC Sharing Regulations")

For details of the sharing of transmission charges, as set out in the CERC Sharing Regulations, please see the section entitled "*Regulations and Policies – The Power Sector – Regulations – Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020*" on page 206.

Components of Transmission Charges

Transmission charges comprise fixed and variable components and are billed, collected and paid to through the CERC Sharing Regulations.

Availability-based Transmission Charges

Inter-state power transmission projects are entitled to incentive or liable for penalty if actual availability is higher or lower than the target availability. These 'availability-based' transmission charges incentivize transmission service providers to provide the highest possible system availability, which is the time for which the transmission system is available. In case of RTM projects, the calculation of incentive is carried out as per applicable CERC Regulations and in case of TBCB projects, the calculation of incentive or penalty, as the case may be, is carried out as per the respective TSA. Also, in the case of lower availability of the transmission system than the target availability, the developer is entitled to recover only the proportionate transmission charges from the beneficiaries. Better operation and maintenance practices, qualified trained manpower 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 thermo-vision scanning may result in higher transmission network availability.

Transmission charges

The transmission charges for ISTS are collected and disbursed to transmission licensees by the CTU as per the CERC Sharing Regulations. The transmission charges comprise a fixed non-escalable charge and may also comprise a variable escalable charge. The escalable charge is escalated based on the escalation rate which is notified by CERC semi-annually. The escalation rate computed by CERC is based on WPI with 45% weight and CPI with 55% weight (Source: CERC Explanation for the notification on Escalation Factors and other parameters for Tariff Based Competitive Bidding for Transmission Service, October 2020). In addition to this, there might be an incentive or penalty payment, as described above.

Competitive Landscape

During the period October 6, 2008 and December 30, 2020, POWERGRID was declared the successful bidder in 16 ISTS projects awarded under TBCB route, which was higher than any other entity. Eight of these 16 projects are under commercial operation, seven are under construction and one has been cancelled by the CERC and therefore has not been taken up for implementation (Source: CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Completed Projects), December 2020; CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), December 2020). POWERGRID has recently emerged as the successful bidder in the bids for five TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to POWERGRID by the relevant BPCs. The other players in Indian power transmission space include Sterlite Power, Adani Transmission, Kalpataru Power and Essel Infra (Source: CEA Monthly Progress Report of Transmission Projects awarded through Tariff Based Competitive Bidding (TBCB) Route (Completed Projects), December 2020). Further, as on March 31, 2020, POWERGRID was also declared successful bidder in four intra-State projects, all of which are under construction.

During Financial Year 2020, a total of 13 transmission special purpose vehicles were transferred by bid process coordinators ("**BPCs**"), PFC Consulting Limited and REC Transmission Projects Company Limited to successful bidders under the TBCB mechanism (Source: Power Finance Corporation Limited, Annual Report 2019-2020). POWERGRID acquired seven of these special purpose vehicles (Source: CEA, Monthly Progress Report of Transmission Projects awarded through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), August 2020; REC Limited, Annual Report 2019-2020). These seven special purpose vehicles include four ISTS projects (all renewable energy linked projects) and three intra-State projects (Source: REC Limited, Annual Report 2019-2020; CEA, Monthly Progress Report of Transmission Projects awarded through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), October 2020).

As of December 31, 2020, 14 inter-state transmission projects estimated at ₹ 162,415.20 million were under bidding by the BPCs. POWERGRID emerged as the successful bidder in the bids for five of these TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to POWERGRID by the relevant BPCs. These projects are part of transmission schemes for 75,700 MW RE projects planned for achievement of 175 GW RE Capacity in India by December 2022.

OUR BUSINESS

Some of the information in this section, including information with respect to our plans, strengths, and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 16 for a discussion on the risks and uncertainties related to those statements and also "Risk Factors", "Combined Financial Statements", "Projections of Revenue From Operations and Cash Flow from Operating Activities" and "Management's Discussion and Analysis of Financial Condition and Results of Operations" on pages 50, 287, 360 and 169, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless otherwise stated or the context requires otherwise, the financial information included herein is based on our Combined Financial Statements included in this Final Offer Document. For further details, please see the section entitled "Combined Financial Statements" on page 287. Unless otherwise stated or the context requires otherwise, references in this section to "we", "our" or "us" are to POWERGRID Infrastructure Investment Trust along with the Initial Portfolio Assets. However, for the purpose of the Combined Financial Statements, references to "we", "us", and "our" refers to the Initial Portfolio Assets. We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Combined Financial Statements and which may not have been subject to an audit or review of the Auditors. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other entities in the business similar to ours. Bidders are accordingly cautioned against placing undue reliance on such information in making an investment decision and must evaluate such information in the context of the Combined Financial Statements.

Unless stated otherwise or the context otherwise requires, industry data used in this section has been obtained or derived from publicly available information as well as industry publications and sources, including from various government publications and websites. Neither we nor any other person connected with the Offer have independently verified this information. The data may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed, and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Bidders must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information.

Overview

We are an InvIT set-up to own, construct, operate, maintain and invest as an infrastructure investment trust as permissible in terms of the InvIT Regulations, including in power transmission assets in India. We were registered with SEBI as an InvIT on January 7, 2021. Our Sponsor, Power Grid Corporation of India Limited, also acting in the capacity of our Project Manager, is a CPSE under the Ministry of Power, GoI and is listed on BSE and NSE. Our Sponsor was conferred with 'Maharatna' status on October 23, 2019 by the GoI. As of March 31, 2019, our Sponsor was the third largest CPSE in terms of gross block as per the Public Enterprises Survey 2018-19 issued by the GoI, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises in February 2020 ("**Public Enterprises Survey**"). As of November 1, 2020, our Sponsor was the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres (Source: CEA). As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (*Source: www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014.

Our Sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India and undertakes operations in the Indian telecom infrastructure sector. As of December 31, 2020, our Sponsor also provides transmission and distribution consultancy services in India and other jurisdictions, with footprints in 21 countries (including India).

As of December 31, 2020, our Sponsor owned the Sponsor TBCB Projects. Our Sponsor, through its wholly-owned subsidiaries, is setting up, implementing and operating transmission projects at various locations in India where the right to provide transmission services is procured under the TBCB mechanism. As of December 31, eight of these ISTS SPVs had commenced commercial operations, comprising 39 transmission lines (6,398 ckm), with a total power transformation capacity of 9,630 MVA. The remaining Sponsor TBCB Projects are at different stages of development.

Of the Sponsor TBCB Projects, we propose to acquire five projects initially with a total network of 11 power transmission lines of approximately 3,698.59 ckm and three substations having 6,630 MVA of aggregate transformation capacity, as of December 31, 2020, across five states in India (the "**Initial Portfolio Assets**").

The Initial Portfolio Assets were awarded to our Sponsor under the TBCB mechanism on a build-own-operate-maintain ("**BOOM**") basis. The Initial Portfolio Assets earn revenues, i.e. availability based transmission charges, pursuant to the transmission service agreements ("**TSAs**"), from the DICs under such TSAs irrespective of the quantum of power transmitted through the transmission line. In addition, maintaining availability of the Initial Portfolio Assets in excess of 98%, gives us the right to claim incentives under the TSAs. The transmission charges for power transmission projects acquired through the TBCB mechanism, including the Initial Portfolio Assets, is contracted for the period of the relevant TSAs, which is 35 years from the Scheduled COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC. For further details in relation to the key terms of the TSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

Our Investment Manager, POWERGRID Unchahar Transmission Limited, a wholly-owned subsidiary of our Sponsor, is responsible for managing us and the Initial Portfolio Assets as well as undertaking investment decisions relating to our assets. Our Investment Manager has been engaged in the power transmission business since Fiscal 2014 and has relevant infrastructure sub-sector experience owing to its involvement in the construction and operation of a transmission system. Our Investment Manager meets the prerequisite experience as required under the InvIT Regulations. Our Investment Manager has overall responsibility for setting our strategic direction, including in relation to our future acquisitions, divestment, or enhancement of assets. For further details, please see "*Parties to the Trust – The Investment Manager – POWERGRID Unchahar Transmission Limited*" on page 101.

Our Trustee, IDBI Trusteeship Services Limited, is a trusteeship company registered with SEBI as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, since February 14, 2017. On behalf of our Unitholders, the Trustee is responsible for (a) ensuring that our business activities and investment policies comply with the provisions of the InvIT Regulations, and (b) monitoring the activities of our Investment Manager (in terms of the Investment Management Agreement) and our Project Manager (in terms of the Project Implementation and Management Agreement). For further details, please see "*Parties to the Trust – The Trustee – IDBI Trusteeship Services Limited*" on page 93.

We intend to distribute at least 90% of the net cash available for distribution to our Unitholders once at least every quarter in every financial year. However, the first declaration of distribution by the Trust shall be made within six months from the listing and trading of units pursuant to the Offer, subject to compliance with the InvIT Regulations. For further details, please see the section entitled "*Distribution*" on page 194.

We believe that we are well positioned to take advantage of the growth potential of India's power transmission industry given our financial position, support from our Sponsor and the robust regulatory framework for power transmission in India. We are also focused on providing stable and sustainable distributions to our Unitholders.

Our revenue from operations for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 9,922.84 million, ₹ 13,242.87 million, ₹ 9,771.56 million and ₹ 3,435.69 million, respectively. Our profit for the period for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 3,371.42 million, ₹ 3,788.25 million, ₹ 2,480.63 million and ₹ 1,141.34 million, respectively.

We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively.

Competitive Strengths

Strong lineage and support from our Sponsor and Project Manager

We believe that the experience and expertise of Power Grid Corporation of India Limited, our Sponsor, provides us with a significant competitive advantage within the Indian power transmission industry. Our Sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India, undertakes operations in the Indian telecom infrastructure sector and provides transmission and distribution consultancy services in India and other jurisdictions, and operates training facilities for professionals in transmission technology and management. Our Sponsor was conferred with the 'Navratna' status by the GoI in May 2008, which was upgraded to the 'Maharatna' status in October 2019, which provides our Sponsor with strategic and operational flexibility as well as enhanced financial autonomy to take certain investment decisions without seeking approval from the GoI. Our Sponsor occupies a key position in the GoI's plans for the growth and development of the Indian power sector. As of March 31, 2019, our Sponsor was the third largest CPSE in terms of gross block as per the Public Enterprises Survey. Our Sponsor is the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres. As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (*Source: www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014. Our Sponsor is listed on BSE and NSE, and is a part of various benchmark indices and environmental, social and governance indices.

Our Sponsor has been awarded various transmission projects under the TBCB mechanism adopted by the Central and the State Governments and as of December 31, 2020, had the highest market share, on the basis of number of projects awarded among the ISTS projects awarded under the TBCB mechanism (Source: CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Completed Projects), December 2020; CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), December 2020). During the period October 6, 2008 and December 31, 2020, our Sponsor was declared as the successful bidder for 16 out of 52 ISTS projects awarded under the TBCB mechanism. In addition, our Sponsor was awarded four intra-state projects through the TBCB mechanism. Our Sponsor has recently emerged as the successful bidder in the bids for five TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to our Sponsor by the relevant bid process coordinators. As of December 31, 2020, our Sponsor operated, on a standalone basis, 1,238 transmission lines aggregating to 161,742 ckm, 248 substations (including HVDC substations and GIS substations) with 411,000 MVA of transformation capacity. Further, as of December 31, 2020, our Sponsor's total transmission assets, including its wholly owned subsidiaries, consisted of 1,277 transmission lines aggregating to 168,140 ckm, 252 substations with an aggregate transformation capacity of 420,630 MVA. In addition, our Sponsor benefits from a strong balance sheet by leveraging it to support its growth. Our Sponsor also has a diverse set of equity investors, including foreign portfolio and institutional investors, mutual funds and insurance companies, and access to a wide range of project finance and debt instruments from Indian and international markets and investors.

Further, our Sponsor by virtue of being a public sector undertaking, also benefits from the Government appointed directors on its board, with each of its directors possessing several years of industry and management experience, key industry relationships and professional qualifications. Our Sponsor's management team has a strong understanding of the technical and financial aspects of the transmission business. They have a successful track record in negotiating, structuring and financing investments in power transmission assets, and managing such assets. In addition, our Sponsor has been operating, maintaining and managing the Initial Portfolio Assets under the terms of the relevant operations and maintenance ("**O&M**") agreements. Since our Sponsor will also act as our Project Manager and will continue to provide O&M services to the Initial Portfolio Assets, we will benefit from our Sponsor's experience including from its O&M expertise.

Consistent and stable cash flows from assets with long term visibility and low counter party risks

We derive our revenues for electricity transmission from contracted transmission charges under long term TSAs which characterizes our power transmission business with low level of risk. The transmission charges for each Initial Portfolio Asset are contracted for the period of the TSA, which is 35 years from its respective Scheduled COD. The transmission charges consist of fixed 'non-escalable' transmission charges and in case of PVTL, fixed 'non-escalable' transmission charges and 'variable escalable' transmission charges. Since transmission charges are fixed for a period of 35 years, there is minimal price risk arising from transmission charge resetting, which provides stability, consistent cash flows and long term visibility.

Further, inter-state power transmission projects receive transmission charges on the basis of availability, including in case of outage due to a *force majeure* event, subject to requisite approvals and irrespective of the quantum of power transmitted through the system. Maintaining annual availability in excess of 98% also gives us the right to claim incentives under the terms of the respective TSAs, ensuring adequate benefit to maximize availability. From the respective CODs until December 31, 2020, each of the Initial Portfolio Assets has consistently achieved annual average availability of more than 98% for which the Initial Portfolio Assets have earned incentive revenues in accordance with the respective TSAs. In Fiscal 2020, the aggregate annual incentive revenue from all the Initial Portfolio Assets amounted to ₹ 417.79 million. The amount of incentive revenue earned increases as the availability levels increase, with a maximum incentive revenue earned for maintaining availability of greater than or equal to 99.75%. Further, the average remaining term of the TSAs entered into by the Initial Portfolio Assets is over 32 years, and with carrying out required renovation works, the useful life of our transmission assets can be extended up to 50 years, according to the Technical Reports. The long residual life of the Initial Portfolio Assets provides long and stable visibility of cash flows. Since the Initial Portfolio Assets are on a BOOM basis, we will be in possession of these assets perpetually, which further ensures stability of cash flows.

Transmission charges under the TSAs are typically billed, collected, and disbursed pursuant to the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("**CERC Sharing Regulations**"), where transmission charges are paid to the CTU and the proceeds are distributed proportionately to each of the inter-state transmission system licensees, including the Initial Portfolio Assets, which we believe ensures limited counterparty risk. Any shortfall in collection of transmission charges by the CTU, due to delayed payment, partial payment or non-payment by DICs, is shared on a pro-rata basis by all 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 charges through the point of connection mechanism. We believe that payment securities in the form of letters of credit, a surcharge of 1.50% per month on the unpaid amount for late payments, regulation of power supply in the event of non-payment and lack of alternate power infrastructure deter transmission customers from defaulting on payments. Further, we believe that such a mechanism diversifies counter party risk, ensures stable cash flows independent of asset utilization at the hands of transmission customers and provides payment security. Further, under the CERC Sharing Regulations, billing of transmission charges on a bilateral basis is permitted, such as in cases of default by an entity responsible for building upstream or downstream systems.

Power transmission projects are characterized by low levels of operating risk. Once a transmission project has been commissioned, it requires low levels of expenditure for O&M, which means that we will have the benefit of owning a critical and strategic asset without incurring significant additional operational costs. In particular, by carrying out required renovation works, the useful life of our transmission assets can be extended up to 50 years, according to the Technical Reports. Each Initial Portfolio Asset has also entered into an O&M agreement with our Sponsor pursuant to which our Sponsor shall be responsible for operations, maintenance and periodic repairs required for the Initial Portfolio Assets. The scope of the O&M arrangement includes, among other things, routine O&M and preventive maintenance, breakdown rectification work, carrying out loping of trees during patrolling of transmission lines, and meeting charges toward the up-keep of sub-stations. We believe this arrangement provides us with necessary expertise for the O&M of such assets, visibility of maintenance costs and, therefore, steady and predictable cash flows.

Strong financial position

We believe our financial position will help us finance our future expansion plans. We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively. Our revenue from operations for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 9,922.84 million, ₹ 13,242.87 million, ₹ 9,771.56 million and ₹ 3,435.69 million, respectively. Our profit for the period for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 3,371.42 million, ₹ 3,788.25 million, ₹ 2,480.63 million and ₹, 1,141.34 million, respectively. Following utilization of the Offer Proceeds, our consolidated borrowings and deferred payments net of cash and cash equivalents will be below 49% of the total value of our assets, as prescribed by the InvIT Regulations.

Further, we expect that the low debt position of our balance sheet (relative to our assets) will provide us with the ability to finance the growth of our business without substantial dilution to our Unitholders in the near future to ensure compliance with the InvIT Regulations. In addition, the security of payments for the transmission service by the Initial Portfolio Assets, as ensured under the terms of the TSAs and the CERC Sharing Regulations, which we believe results in low receivables risk, ensures timely payment and increases our financial strength.

Government support and an established regulatory framework

The GoI has also been supportive in securing the settlement of outstanding dues by the designated inter-state transmission system customers and in addressing right of way issues, as well as expediting forest clearances that are required during implementation of projects. For instance, pursuant to the circular dated February 5, 2013 of the Ministry of Environment, Forest & Climate Change ("**MoEFCC**"), linear projects including transmission lines have been exempted from obtaining NOCs from the concerned gram sabha(s). Instead, a certificate from the District Collector is the only requirement as per the circular of MoEFCC dated July 5, 2013 under the Schedule Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006. In addition, MoEFCC vide its notification dated March 6, 2017 has further amended the rules which now provides that such DC certificate is not required for stage-1 or in-principle approval and can be submitted along with compliance for stage-2 (final) approval. For further details, please see the section entitled "*Regulations and Policies*" on page 203. Further, to facilitate early resolution of RoW issues for laying of transmission lines, Ministry of Power has issued to all States and Union Territories guidelines relating to payment of compensation towards damages in regard to RoW for transmission lines dated October 10, 2015, and guidelines relating to payment of compensation towards damages in regard to RoW for transmission lines in urban areas dated July 16, 2020, which lay down indicative guidance for calculation of compensation amounts payable in relation to transmission lines supported by a tower base of 66 kV and above.

The transmission segment of the Indian power sector is a regulated sector with an established regulatory framework. Various regulatory and statutory bodies, such as the CEA, the Central Electricity Regulatory Commission (the "**CERC**") and various state electricity regulatory commissions (the "**SERCs**"), provide institutional guidance in the formulation of policy framework for the participation and ongoing regulation of various stakeholders involved in the industry, including, transmission service providers, such as, our Sponsor and us. Further, CERC is empowered to adjudicate disputes and refer to disputes to arbitration in relation, amongst others, the inter-state transmission of electricity. Appeals against orders of the CERC may be preferred before the Appellate Tribunal for Electricity ("**APTEL**"), and appeals against orders of APTEL may be preferred before the Supreme Court of India. Accordingly, the Electricity Act provides for a transparent dispute resolution mechanism in the Indian power industry. The current regulatory framework for the Indian power transmission segment provides significant risk mitigation provisions, such as, availability-based payment structure with no volume risk and the billing, collection and disbursement procedure for adequate payment with limited price risk. We believe such provisions help in ensuring long-term visibility on returns and predictable cash flows. Accordingly, our Initial Portfolio Assets enjoy the benefit of a well-established regulatory regime and long-term cash flow stability as provided under the existing tariff policy.

Strategic and critical nature of power transmission infrastructure with low risk of emergence of alternate transmission infrastructure

The power sector is a strategic and critical sector as power supply system not only supports critical national infrastructure, national defence and vital emergency services, but also supports the entire economy and day-to-day life of the citizens of India (Source: Order dated July 2, 2020, issued by the Ministry of Power, Government of India).

The Initial Portfolio Assets comprise grid strengthening links, generation linked assets, and assets linked with inter-regional power flow covering both demand and supply centric states of Himachal Pradesh, Maharashtra, Andhra Pradesh, Madhya Pradesh and Telangana, making them strategically and critically important for the transmission of power from one part of India to another. In general, power transmission projects are strategic and critical assets since they operate as vital links in the power supply value chain.

Transmission projects, such as the Initial Portfolio Assets, are capital intensive and complex to develop since these are linear in nature. The construction, development and implementation of a transmission project involves various challenges, such as, difficult terrains, obtaining approvals and right of way, land acquisition issues and construction costs. The projects may pass through various routes including rural, semi-urban and urban areas, rivers, deserts and forests which may require procurement of land for substations, where required. The transmission lines of the Initial Portfolio Assets are predominantly located in areas where developing alternate lines may be difficult due to these challenges. Accordingly, we believe that we are in an advantageous position to capitalize on opportunities that may arise for increasing power transmission capacity by utilizing our existing right of way, since developing alternate and new lines may be challenging for another entity. For further details, please see "*Our Business – The Initial Portfolio Assets*" on page 145.

Skilled and experienced Investment Manager having strong corporate governance philosophy

We will be managed by qualified personnel of the Investment Manager who have management and operational experience in the power transmission sector and established track records in negotiating, structuring and financing investments of power transmission assets, and managing those assets. Accordingly, we expect to benefit from the skills and experience of the board of directors and the management teams of our Investment Manager while making investment decisions and financially managing the Initial Portfolio Assets. For further details, please see the section entitled "*Parties to the Trust*" on page 92. We believe that their experience and leadership will contribute to our growth and success and will position the Initial Portfolio Assets to be operated and managed in an efficient manner.

In addition, based on the aforesaid, our Investment Manager has implemented a corporate governance framework which includes corporate governance requirements in addition to those prescribed under the InvIT Regulations, and we believe that the Unitholders will benefit from the same. For further details, please see the section entitled "*Corporate Governance*" on page 119. The key features of our corporate governance structure include:

- Not less than 50% of the board of directors of the Investment Manager shall comprise of independent directors and shall not include directors or members of the governing board of the investment manager of another infrastructure investment trust registered under the InvIT Regulations.

- Our Investment Manager has constituted the following committees of our board, namely, (i) the Investment Committee, a majority of the members of which are independent directors; (ii) the Audit Committee, the chairperson of which is an independent director; and (iii) the Stakeholders' Relationship Committee, at least one member of which is an independent director.

- All investment decisions with respect to the underlying assets or our projects from our Sponsor including any further investments or divestments to ensure protection of the interest of Unitholders, are and will be reviewed by the Investment Committee.

Business Strategies

Focused business model with productive and operational efficiency to enhance returns

We intend to achieve stable distributions for our Unitholders by focusing on owning power transmission assets with long-term TSAs, low operating risks, and consistent and stable cash flows, which is consistent with the characteristics of the Initial Portfolio Assets. By leveraging our Sponsor's and Investment Manager's industry knowledge and experience, including in relation to O&M practices, as well as by continuing our focus on this asset class we believe we would be able to maximize our strategic opportunities and overall financial performance.

We intend to continue to maintain high transmission availability, optimize our operating costs and incorporate new and efficient technologies as well as undertake further improvement in our O&M practices. By maintaining high transmission availability rates, we are eligible to receive an incentive payment under the relevant TSAs, and the Initial Portfolio Assets have had a successful track record of achieving high availability and receiving such incentive payments. In addition to providing financial benefits, such incentive payments demonstrate the ability of our Project Manager to efficiently maintain our transmission systems above the required regulatory levels. We continue to aim to achieve high availability to maximize incentive revenue on a sustainable basis by deploying prudent asset management practices, incorporating new and efficient technologies and services into our operations, conducting technology based routine and predictive maintenance, and following maintenance practices, which we believe ensures improved business performance, reduces as well as optimizes our operating costs while also increasing our revenue generation from the Initial Portfolio Assets on account of high transmission availability.

We intend to continue to make improvements in our O&M practices, through increased use of automation and digitisation. We plan to further modernize our infrastructure and services, and aim to continue to follow best industry practices with respect to performance, corporate governance, management and employee training, quality control, environmental excellence and safety. For our existing infrastructure, we also intend to maintain those assets so as to increase the useful life to the extent possible in order to obtain cost efficiencies. We believe that our focus on modernising our transmission infrastructure and maintenance practices will increase the useful life of our systems, improve their operating performance and raise the efficiency of our capital expenditure.

Capitalize on value accretive growth through acquisitions and non-transmission revenues

We are focused on the Indian market, where we believe there is a significant opportunity for growth. Other than the Investment Manager and the Initial Portfolio Assets, the Sponsor owns two operational subsidiaries with an aggregate gross block of ₹ 50,286.10 million as on December 31, 2020. Further, as of December 31, 2020, there were seven subsidiaries in the construction phase, and the project cost estimated by the Sponsor is ₹ 92,000 million. In addition, four subsidiaries in intra-state power transmission (with the project cost estimated at ₹ 30,000 million) are also in construction phase. The subsidiaries in construction phase are progressively scheduled for completion by Financial Year 2023.

Further, keeping in view the long term sustainable growth of the power sector, various policies and investment plans of the Government of India, such as the target for 175 GW cumulative renewable power installed capacity by the year 2022, the Draft National Energy Policy (2017), National Infrastructure Pipeline, proposed amendment to Electricity Act, 2003 and Aatmanirbhar Bharat Scheme, provide indications for various opportunities for the power sector in the long term. As of December 31, 2020, 14 inter-state transmission projects estimated at ₹ 162,415.20 million were under bidding by the BPCs (Source: Request for proposals issued by REC Transmission Projects Company Limited and PFC Consulting Limited). Our Sponsor emerged as the successful bidder in the bids for five of these TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to our Sponsor by the relevant bid process coordinators We believe that our Sponsor is well positioned to capitalize on such growth opportunities on account of its focused business model and proven track record of identifying, acquiring, developing, constructing, operating and maintaining critical power transmission infrastructure assets. The Cabinet Committee on Economic Affairs, while granting approval to the Sponsor for monetisation of the Initial Portfolio Assets through the InvIT route, has also permitted the Sponsor to monetise, through the InvIT route, its other TBCB subsidiaries, which are either under construction or shall be acquired by it in future, as per the directives and targets fixed by the Government of India. Accordingly, we believe that when our Sponsor intends to monetise its power transmission subsidiaries acquired through the TBCB route, we, as a ready investment vehicle set up by the Sponsor, stand to be benefitted as a preferred route of monetisation, considering the expected shorter turnaround time for achieving the targeted monetisation with an existing pool of investors. Our Investment Manager intends to capitalize on opportunities to acquire power transmission projects in India that provide attractive cash flows. Our future growth will be derived primarily from our value accretive acquisition strategy, which will be focused primarily on acquiring power transmission projects as and when such opportunities arise, and which would provide long-term, regular and predictable cash flows, demonstrate potential to maintain or enhance returns to Unitholders, and provide potential for long-term capital growth in accordance with our investment objectives. The future acquisitions of projects owned by the Sponsor will be assessed for their suitability with our investment mandate and are subject to mutual agreement between our Sponsor and our Investment Manager on our behalf, as well as approval by the Unitholders.

Further, our Investment Manager may seek to generate non-transmission revenue from various avenues, including leasing of optical ground wire and transmission towers.

Optimization of transmission assets through an efficient capital structure

The Investment Manager aims to maintain an optimal and varied portfolio of transmission assets, as well as an efficient capital structure and balanced consolidated leverage, to provide for consistent and predictable cash flows. Following utilization of the Offer Proceeds, our consolidated borrowings and deferred payments net of cash and cash equivalents shall be within the limits prescribed by the InvIT Regulations, and there shall be no borrowings of the Initial Portfolio Assets other than the Facilities. The Investment Manager intends to employ appropriate financing policies and diversify its sources of financing with the objective of minimizing our overall cost of capital. The Investment Manager will operate within the InvIT Regulations for borrowing, as may, from time to time, be prescribed. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units.

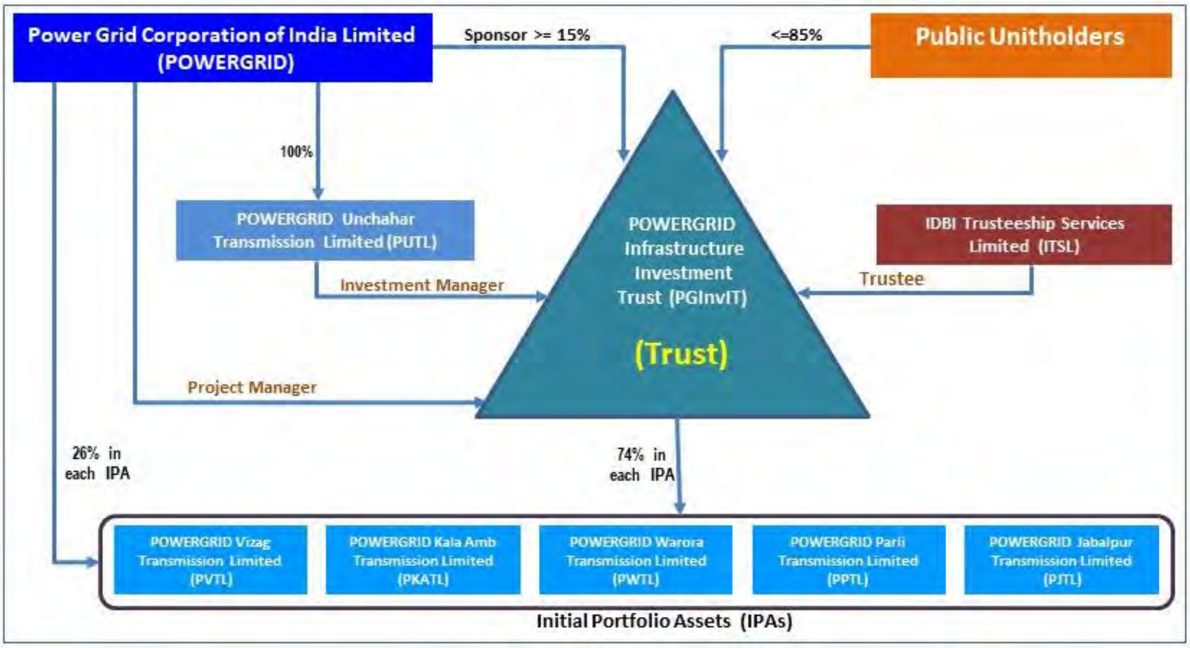
In order to acquire additional power transmission projects to provide the most balanced and optimal capital structure, we intend to consider both private and public markets, for raising debt capital. We believe that on account of the revenues generated by the Initial Portfolio Assets, the predictability of cash flows, the contractual agreements governing our operations and the low risk profile of our assets, we are well positioned to maintain our balance sheet over the longer term with investment grade credit rating metrics and maintain appropriate levels of debt relative to equity.

The Trust Structure

We were set up by our Sponsor pursuant to a trust deed dated September 14, 2020 in accordance with the provisions of the Indian Trust Act, 1882 and we are registered with SEBI as an InvIT pursuant to the InvIT Regulations, since January 7, 2021. Our objectives are to make investments as an Indian infrastructure investment trust in accordance with the InvIT Regulations. For more details on the investment objectives, please see the section entitled "*Overview of the Trust*" on page 20.

We propose to acquire power transmission projects owned by our Sponsor which comprise the five Initial Portfolio Assets, immediately prior to the Closing Date. Our Sponsor (jointly with its nominees) presently holds 100% of the equity shareholding in each of the Initial Portfolio Assets. Prior to the Allotment, we, acting through the Trustee, propose to acquire from our Sponsor, and our Sponsor proposes to transfer to us in exchange for Units, a portion of the equity shareholding in each of the Initial Portfolio Assets based on the equity lock-in conditions set forth in the respective TSAs entered into by the Initial Portfolio Assets. Further, upon expiry of the lock-in conditions set forth in the respective TSAs, our Sponsor proposes to transfer to us the rest of the equity shareholding in each of the Initial Portfolio Assets. Accordingly, share purchase agreements are proposed to be entered into among our Sponsor, the Trustee (on behalf of us) and our Investment Manager, in respect of our acquisition of a specified portion of the equity shareholding in each of the Initial Portfolio Assets. For further details, please see "*Formation Transactions in Relation to the Trust – Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor*" on page 23.

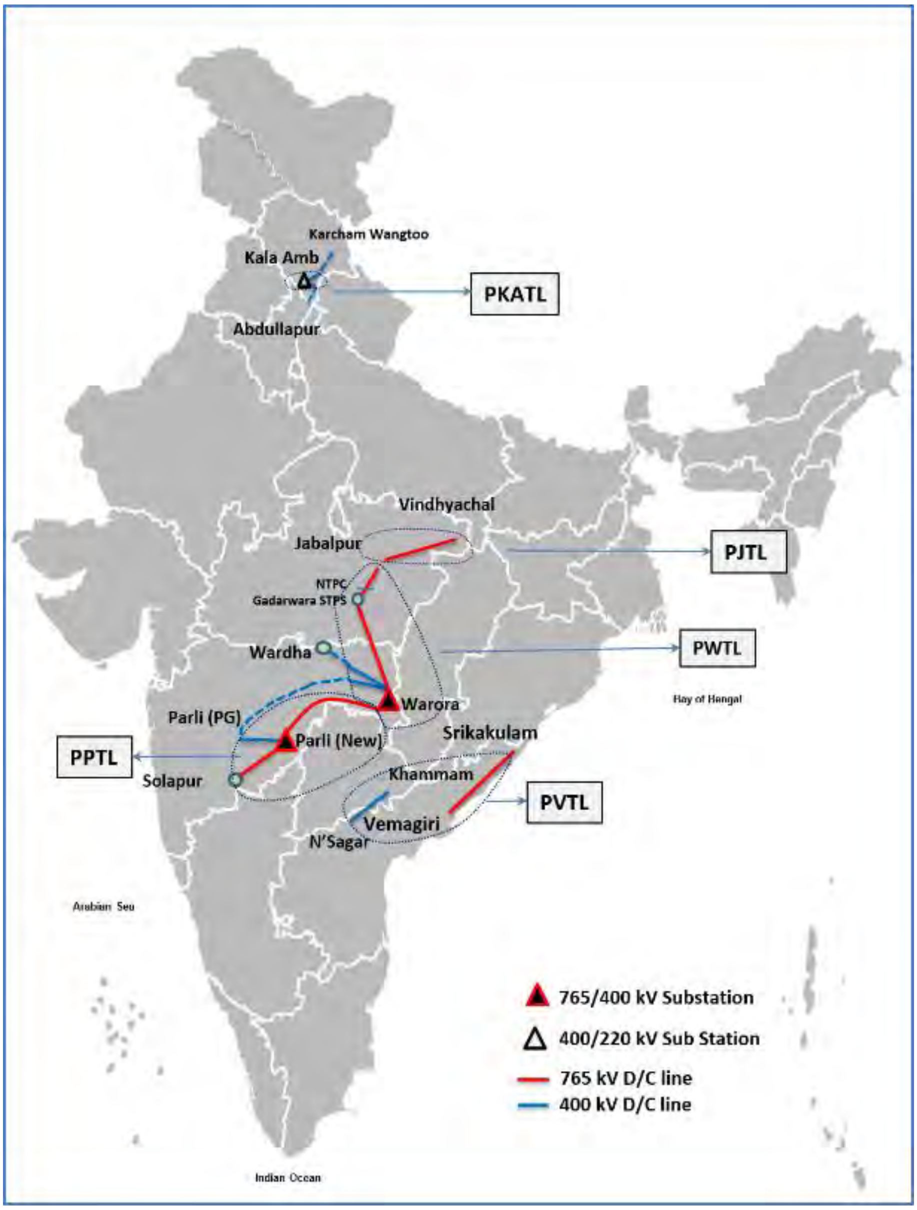
The following chart illustrates our relationships and alignment with the Sponsor and its affiliates following the completion of the Offer:



The Initial Portfolio Assets

The Initial Portfolio Assets comprise five power transmission projects located across five states of India. The projects comprise 11 transmission lines, including six 765 kV transmission lines and five 400 kV transmission lines, with a total circuit length of approximately 3,698.59 ckm, and three substations with 6,630 MVA of an aggregate transformation capacity and 1,955.66 km of optical ground wire. Each of the Initial Portfolio Assets has in place a long-term TSA of 35 years from the Scheduled COD of the relevant Initial Portfolio Asset. Upon expiry of the term of a TSA, the relevant Initial Portfolio Asset can apply to CERC for renewal if it is not unilaterally extended by CERC.

Upon completion of the Offer, a portion of the Initial Portfolio Assets will be owned by us, as specified above. For further details in relation to the transfer, please see "*Formation Transactions in Relation to the Trust – Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor*" on page 23.



Note: Map not to scale

The following table sets forth a summary description of the Initial Portfolio Assets:

S. No.	Project Name	Transmission lines (including any stations/ substations)	Specifications	Line length (in ckm)	Transformation Capacity (in MVA)	COD	Expiry of term of TSA
1.	**POWERGRID Vizag Transmission Limited**	Khammam (Existing) – Nagarjuna Sagar	400 kV D/C	288.84	-	January 3, 2016	January 31, 2052
		Srikakulam PP – Vemagiri-II Pooling Station	765 kV D/C	668	-	February 1, 2017[(1)]	
2.	**POWERGRID Kala Amb Transmission Limited**	LILO of both circuits of Karcham Wangtoo – Abdullapur transmission line at Kala Amb	400 kV D/C	2.47	-	July 12, 2017	July 11, 2052

S. No.	Project Name	Transmission lines (including any stations/ substations)	Specifications	Line length (in ckm)	Transformation Capacity (in MVA)	COD	Expiry of term of TSA
		substation (on M/C towers)					
		400/220 kV GIS substation at Kala Amb	400 kV / 220 kV GIS substation	-	630	July 12, 2017	
		40% Series compensation on 400 kV Karcham Wangtoo – Kala Amb (Quad) D/C line at Kala Amb ends	-	-	-	July 12, 2017	
3.	**POWERGRID Parli Transmission Limited**	Parli (New) - Solapur	765 kV D/C	235.92	-	April 27, 2018	June 3, 2053
		Parli (New) – Parli (PG)	400 kV D/C	36.50	-	April 27, 2018	
		2x1500 MVA, Parli (New) S/S	765/400 kV substation	-	3,000	April 27, 2018	
		Warora (Pooling Station) – Parli (New)	765 kV D/C	693.70	-	June 4, 2018(2)	
4.	**POWERGRID Warora Transmission Limited**	Interim Arrangement*	765 kV D/C	30.55	-	November 30, 2016	July 9, 2053
		Gadarwara STPS-Jabalpur Pool	765 kV D/C	173.92	-	May 31, 2017	
		LILO of both circuits of Wardha - Parli (PG) 400 kV D/C line at Warora Pooling Station (Quad)	400 kV D/C	196.29	-	May 16, 2018	
		Gadarwara STPS-New Pooling Station within the jurisdiction / boundary of Warora	765 kV D/C	627.35	-	July 10, 2018	
		2x1500 MVA 765/400 kV (New Pooling Station within the jurisdiction / boundary Warora)	765/400 kV substation	-	3,000	July 10, 2018(3)	
5.	**POWERGRID Jabalpur Transmission Limited**	Vindhyachal Pooling Station-Jabalpur Pooling Station	765 kV D/C	745.05	-	June 25, 2018(4)	June 24, 2053
Total				**3,698.59**	**6,630**		

** As per the interim arrangement, LILO of existing Seoni-Bina 765kV S/C line at Gadarwara STPS would be established. At a later date, LILO portion would be delinked from Seoni-Bina 765kV S/C line to restore the Seoni-Bina 765 S/C direct line, and the LILO portion would be extended to the Jabalpur 765/400 kV Pooling Station to form the proposed Gadarwara 765/400kV Pooling Station to form the proposed Gadarwara-Jabalpur Pool 765 kV D/C line.*

(1) *Pursuant to a letter issued by Tamil Nadu Generation and Distribution Company Limited ("**TANGEDCO**") dated September 27, 2017, TANGEDCO revised the Scheduled COD of PVTL to February 1, 2017 on account of occurrence of force majeure events.*

(2) *Pursuant to a supplementary transmission services agreement dated June 18, 2019, the relevant LTTCs agreed to revise the Scheduled COD under the PPTL TSA to June 4, 2018.*

(3) *Pursuant to a supplementary transmission services agreement dated September 11, 2019, the relevant LTTCs agreed to revise the Scheduled COD under the PWTL TSA to July 10, 2018.*

(4) *The relevant LTTCs, through a joint coordination meeting held on April 24, 2020, agreed in-principle to revise the Scheduled COD by 180 days, subject to approval of the management of the LTTCs and execution of a supplementary transmission services agreement. Further, through a letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited, the lead LTTC, granted its consent to revise the Scheduled COD by 180 days. PJTL is in the process of entering into a supplementary transmission services agreement for the revision of the Scheduled COD under the PJTL TSA.*

The total revenue from operations of the Initial Portfolio Assets for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, is set forth in the following table:

S. No.	Initial Portfolio Assets	Nine months ended December 31, 2020			Fiscal 2020			Fiscal 2019			Fiscal 2018		
		Transmission charges	Incentive	Total revenue	Transmission charges	Incentive	Total revenue	Transmission charges	Incentive	Total revenue	Transmission charges	Incentive	Total revenue
(₹ in million)													
1.	**PVTL**	2,208.87	79.79	2,288.66	3,023.17	106.17	3,129.34	2,853.52	100.90	2,954.42	2,343.43	79.52	2,422.95
2.	**PKATL**	542.84	6.14	548.98	729.85	2.44	732.29	572.60	-	572.60	375.77	-	375.77
3.	**PPTL**	2,384.93	88.78	2,473.71	3,162.22	110.72	3,272.94	2,738.45	91.21	2,829.66	-	-	-
4.	**PWTL**	2,630.41	98.84	2,729.25	3,482.22	120.37	3,602.59	2,710.71	93.69	2,804.40	622.51	14.46	636.97
5.	**PJTL**	1,829.55	52.69	1,882.24	2,427.62	78.09	2,505.71	598.72	11.76	610.48	-	-	-
Total		**9,596.60**	**326.24**	**9,922.84**	**12,825.08**	**417.79**	**13,242.87**	**9,474.00**	**297.56**	**9,771.56**	**3,341.71**	**93.98**	**3,435.69**

Secured and unsecured debt, primarily from our Sponsor, has been used to finance the construction, development and operation of the Initial Portfolio Assets. For further details, please see the section entitled "*Financial Indebtedness and Deferred Payments*" on page 167 and "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows*" on page 169.

Transmission charges

The Initial Portfolio Assets generate revenue from electricity transmission charges pursuant to TSAs. These projects receive availability-based transmission charges under their respective TSAs irrespective of the quantum of power transmitted through the relevant transmission line. The transmission charges for each Initial Portfolio Asset is contracted for the period of the TSA, which is 35 years from its respective Scheduled COD as per the TSA or as subsequently agreed between the parties. The transmission charges comprise fixed 'non-escalable' transmission charges and in case of PVTL, fixed 'non-escalable' transmission charges and variable 'escalable transmission' charges. Non-escalable transmission charges are fixed charges, detailed in the TSA and in the CERC order for adoption of transmission charges and paid to us as part of the transmission charges. These charges are billed on a monthly basis by the CTU to the LTTCs.

The following table reflects the remaining non-escalable transmission charges for the commissioned Initial Portfolio Assets, as of December 31, 2020.

REMAINING NON-ESCALABLE TRANSMISSION CHARGES FOR THE INITIAL PORTFOLIO ASSETS (₹ in million)					
	PVTL	**PKATL**	**PPTL**	**PWTL**	**PJTL**
Anniversary of Scheduled COD	**Scheduled COD(1)**	**Scheduled COD**	**Scheduled COD(2)**	**Scheduled COD(3)**	**Scheduled COD(4)**
	February 1, 2017	**July 12, 2017**	**June 4, 2018**	**July 10, 2018**	**June 25, 2018**
2021	2,901.36	725.15	3,173.79	3,520.70	2,436.81
2022	2,810.85	705.78	3,173.79	3,520.70	2,436.81
2023	2,296.53	686.56	3,173.79	3,520.70	2,436.81
2024	2,077.52	668.22	3,173.79	3,520.70	2,436.81
2025	2,074.22	648.56	3,173.79	3,520.70	2,436.81
2026	2,070.73	569.39	3,173.79	3,520.70	2,436.81
2027	2,067.03	513.27	2,229.59	2,473.29	2,436.81

REMAINING NON-ESCALABLE TRANSMISSION CHARGES FOR THE INITIAL PORTFOLIO ASSETS (₹ in million)					
	PVTL	**PKATL**	**PPTL**	**PWTL**	**PJTL**
Anniversary of Scheduled COD	**Scheduled COD[(1)]**	**Scheduled COD**	**Scheduled COD[(2)]**	**Scheduled COD[(3)]**	**Scheduled COD[(4)]**
	February 1, 2017	**July 12, 2017**	**June 4, 2018**	**July 10, 2018**	**June 25, 2018**
2028	2,063.11	513.27	2,229.59	2,473.29	1,711.86
2029	2,058.96	513.27	2,229.59	2,473.29	1,711.86
2030	2,054.56	513.27	2,229.59	2,473.29	1,711.86
2031	2,049.90	513.27	2,229.59	2,473.29	1,711.86
2032	2,044.96	513.27	2,229.59	2,473.29	1,711.86
2033	2,039.73	513.27	2,229.59	2,473.29	1,711.86
2034	2,034.19	513.27	2,229.59	2,473.29	1,711.86
2035	2,028.33	513.27	2,229.59	2,473.29	1,711.86
2036	2,022.11	513.27	2,229.59	2,473.29	1,711.86
2037	2,015.53	513.27	2,229.59	2,473.29	1,711.86
2038	2,008.55	513.27	2,229.59	2,473.29	1,711.86
2039	2,001.16	513.27	2,229.59	2,473.29	1,711.86
2040	1,993.34	513.27	2,229.59	2,473.29	1,711.86
2041	1,985.05	513.27	2,229.59	2,473.29	1,711.86
2042	1,976.27	513.27	2,229.59	2,473.29	1,711.86
2043	1,966.96	513.27	2,229.59	2,473.29	1,711.86
2044	1,957.11	513.27	2,229.59	2,473.29	1,711.86
2045	1,946.67	513.27	2,229.59	2,473.29	1,711.86
2046	1,935.61	513.27	2,229.59	2,473.29	1,711.86
2047	1,923.90	513.27	2,229.59	2,473.29	1,711.86
2048	1,911.49	513.27	2,229.59	2,473.29	1,711.86
2049	1,898.35	513.27	2,229.59	2,473.29	1,711.86
2050	1,884.42	513.27	2,229.59	2,473.29	1,711.86
2051	1,869.67	513.27	2,229.59	2,473.29	1,711.86
2052	1,855.30	513.27	2,229.59	2,473.29	1,711.86
2053	**TSA TERM EXPIRED**	513.27	2,229.59	2,473.29	1,711.86
2054		**TSA TERM EXPIRED**	**TSA TERM EXPIRED**	**TSA TERM EXPIRED**	1,711.86
2055					**TSA TERM EXPIRED**

(1) *Pursuant to a letter issued by Tamil Nadu Generation and Distribution Company Limited ("**TANGEDCO**") dated September 27, 2017, TANGEDCO revised the Scheduled COD of PVTL to February 1, 2017 on account of occurrence of force majeure events.*

(2) *Pursuant to a supplementary transmission services agreement dated June 18, 2019, the relevant LTTCs agreed to revise the Scheduled COD under the PPTL TSA to June 4, 2018.*

(3) *Pursuant to a supplementary transmission services agreement dated September 11, 2019, the relevant LTTCs agreed to revise the Scheduled COD under the PWTL TSA to July 10, 2018.*

(4) *The relevant LTTCs, through a joint coordination meeting held on April 24, 2020, agreed in-principle to revise the Scheduled COD by 180 days, subject to approval of the management of the LTTCs and execution of a supplementary transmission services agreement. Further, through a letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited, the lead LTTC, granted its consent to revise the Scheduled COD by 180 days. PJTL is in the process of entering into a supplementary transmission services agreement for the revision of the Scheduled COD under the PJTL TSA.*

Escalable transmission charges, which are only applicable for PVTL, are variable charges which are indicated in the PVTL TSA and the CERC order for adoption of transmission charges for PVTL for the first year of scheduled operations and vary in subsequent years according to CERC's escalation index, which is notified by CERC semi-annually. The CERC's escalation index is calculated by applying the per annum inflation rate specified by the CERC for payment of escalable transmission charges, as per the provisions of the Competitive Bidding Guidelines. Except for PVTL, no other Initial Portfolio Asset has a component of escalable transmission charges. The initial escalable transmission charges for PVTL were ₹ 37 million in 2017.

The details of the Initial Portfolio Assets are as follows:

POWERGRID Vizag Transmission Limited

PVTL was incorporated on November 30, 2011. Vizag Transmission Limited (erstwhile name of PVTL) entered into a transmission service agreement dated May 14, 2013 with its LTTCs (the "**PVTL TSA**") for transmission system for system strengthening in the southern region of India for import of power from the eastern region of India on BOOM basis. The project was awarded on July 31, 2013, through the TBCB mechanism, for a 35 year period from the Scheduled COD (as revised pursuant to the letter issued by TANGEDCO dated September 27, 2017), *i.e.* February 1, 2017. PVTL was granted a transmission license by the CERC on January 8, 2014. Subsequently, PVTL entered into a transmission service agreement dated November 21, 2015 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the regional power committee ("**RPCs**"), and a revenue sharing agreement dated November 21, 2015 with the CTU. For further details in relation to the key terms of the TSA and RSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

PVTL operates two transmission lines of approximately 956.84 ckm comprising one 765 kV double circuit line of approximately 668 ckm from Srikakulam (Andhra Pradesh) to Vemagiri (Andhra Pradesh) and one 400 kV double circuit line of approximately 288.84 ckm from Khammam (Telangana) to Nagarjuna Sagar (Andhra Pradesh). The PVTL project was fully commissioned in February 2017. As of December 31, 2020, the gross block of PVTL was ₹ 13,097.88 million.

Details of PVTL's transmission lines are set forth as follows:

Transmission lines	Location	Line length (in ckm)	Specifications	COD	Contribution to total transmission charges
Khammam (Existing) – Nagarjuna Sagar	Andhra Pradesh and Telangana	288.84	400 kV D/C	January 3, 2016	15.25%
Srikakulam PP – Vemagiri-II Pooling Station	Andhra Pradesh	668	765 kV D/C	February 1, 2017	84.75%

The average availability of PVTL since its commercial operation is set forth in the table below, which is higher than the target availability of 98% as specified in the PVTL TSA. As a result, PVTL earned an incentive revenue of ₹ 79.52 million, ₹ 100.90 million and ₹ 106.17 million in Fiscals 2018, 2019 and 2020, respectively, and ₹ 79.79 million for the nine months ended December 31, 2020. As of November 30, 2020, the PVTL TSA had a remaining term of 31.17 years.

Sr. No.	Financial Year	Average Availability (%)
1.	2017*	100.00
2.	2018	99.97

Sr. No.	Financial Year	Average Availability (%)
3.	2019	99.99
4.	2020	99.99
5.	2021**	100.00

** For the months of February 2017 – March 2017*
*** For the months of April 2020 – December 2020*

Project Background: Common high capacity transmission corridor was planned for inter-state generating station generations in Srikakulam area, which included Srikakulam Pooling Station - Angul 765kV D/C line and Angul - Jharsuguda - Dharamjaigarh 765kV D/C lines. However, developments in the coal market in Indonesia, Australia and other countries resulted in slowing down of capacity addition in Tamil Nadu based on imported coal. As a consequence, Southern Region became a net importer of power from Eastern Region and Western Region. Through this scheme, an additional inter-regional AC interconnection between Southern and Eastern regions was established by connecting Srikakulam Pooling Station to Vemagiri-II. However, critical loading was observed beyond Khamman towards Nagarjuna Sagar during import of power for South through this link, and therefore, Khammam-Nagarjuna Sagar 400 kV D/C line was strengthened. This line facilitates dispersal of power to Southern Region constituents beyond Khammam.

POWERGRID Kala Amb Transmission Limited

PKATL was incorporated on July 29, 2013. NRSS XXXI (A) Transmission Limited (erstwhile name of PKATL) entered into a transmission service agreement dated January 2, 2014 with its LTTCs (the "**PKATL TSA**") for transmission of electricity for transmission system for Northern Region System Strengthening Scheme NRSS- XXXI (Part A) on a BOOM basis. The project was awarded on February 26, 2014, through the TBCB mechanism, for a 35 year period from the Scheduled COD, *i.e.* July 12, 2017. PKATL was granted transmission license by the CERC on September 4, 2014. Subsequently, PKATL entered into a transmission service agreement dated October 18, 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated October 18, 2016 with the CTU. In addition, PKATL is in the process of installing a 1x125 MVAr, 420 kV bus reactor at Kala Amb, as part of the NRSS-XL scheme, through the RTM. For further details in relation to the key terms of the TSA and RSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

PKATL operates one transmission line of approximately 2.47 ckm comprising LILO of 400 kV D/C Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers). In addition, the project includes one 400/220 kV GIS substation of an aggregate capacity of 630 MVA in Kala Amb (Himachal Pradesh), and 40% series compensation on 400 kV D/C line from Karcham Wangtoo (Himachal Pradesh) to Kala Amb (Himachal Pradesh) at Kala Amb ends. The PKATL project was fully commissioned in July 2017. As of December 31, 2020, the gross block of PKATL was ₹ 3,214.02 million.

Details of PKATL's transmission lines and substations are set forth as follows:

Transmission lines/ Substations	Location	Line length (in ckm) / Transformation Capacity (in MVA)	Specifications	COD	Contribution to total transmission charges
LILO of both circuits of Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers)	Himachal Pradesh	2.47 ckm	400 kV D/C	July 12, 2017	84.50%
400/220 kV GIS substation at Kala Amb	Himachal Pradesh	630 MVA	400 kV / 220 kV GIS substation	July 12, 2017	
40% Series compensation on 400 kV Karcham Wangtoo – Kala Amb (Quad) D/C line at Kala Amb ends	Himachal Pradesh	-	40% series compensation	July 12, 2017	15.50%

The average availability of PKATL since its commercial operation is set forth in the table below, which is higher than the target availability of 98% as specified in the PKATL TSA. As a result, PKATL earned incentive revenue of ₹ 2.44 million in Fiscal 2020 and ₹ 6.14 million for the nine months ended December 31, 2020. As of November 30, 2020, the PKATL TSA had a remaining term of over 31.61 years.

Sr. No.	Financial Year	Average Availability (%)
1.	2018*	99.95
2.	2019	98.10
3.	2020	99.90
4.	2021**	100.00

* *For the months of December 2017 – March 2018*
** *For the months of April 2020 – December 2020*

Project Background: The available generation and transmission network was not adequate to meet the load requirements of Kala Amb/ Poanta/ Giri areas in Himachal Pradesh. In order to meet the present and future load requirement, establishment of a 400/220 kV substation at Kala Amb by LILO of Karcham Wangtoo-Abdullapur 400kV D/c line was proposed. Further, considering the issue of hilly terrain & scarcity of land in Himachal Pradesh, GIS station was proposed and the LILO to be carried out on multi-circuit towers to conserve RoW. Further, in order to increase loadability of Karcham Wangtoo – Abdallapur 400kV D/c line for better sharing of load, 40% series compensation on 400 kV Karcham Wangtoo – Abdallapur D/c line was proposed.

POWERGRID Parli Transmission Limited

PPTL was incorporated on July 30, 2014. Gadarwara (B) Transmission Limited (erstwhile name of PPTL) entered into a transmission service agreement dated February 9, 2015 with its LTTCs (the "**PPTL TSA**") for the transmission system associated with Gadarwara STPS (2x800 MW) of NTPC (Part-B) on a BOOM basis. The project was awarded on March 11, 2015, through the TBCB mechanism, for a 35 year period from the Scheduled COD (as revised pursuant to a supplementary transmission services agreement dated June 18, 2019), *i.e.*, June 4, 2018. PPTL was granted transmission license by CERC on July 10, 2015. Subsequently, PPTL entered into a transmission service agreement dated July 5, 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated July 5, 2016 with the CTU. For further details in relation to the key terms of the TSA and RSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

PPTL operates three transmission lines of approximately 966.12 ckm comprising one 765 kV double circuit line of approximately 693.70 ckm from Warora (Maharashtra) to Parli (Maharashtra), one 765 kV double circuit line of approximately 235.92 ckm from Parli (New) (Maharashtra) to Solapur (Maharashtra), and one 400 kV double circuit line of approximately 36.50 ckm from Parli (New) (Maharashtra) to Parli (PG) (Maharashtra). In addition, the project includes one 765/400 kV substation of an aggregate capacity of 3,000 MVA, in Parli (Maharashtra). The PPTL project was fully commissioned in June 2018. As of December 31, 2020, the gross block of PPTL was ₹ 18,462.70 million.

Details of PPTL's transmission lines and substations are set forth as follows:

Transmission lines/ Substations	Location	Line length (in ckm) / Transformation Capacity (in MVA)	Specifications	COD	Contribution to total transmission charges
Parli (New) – Solapur	Maharashtra	235.92 ckm	765 kV D/C	April 27, 2018	43.00%
Parli (New) – Parli (PG)	Maharashtra	36.50 ckm	400 kV D/C	April 27, 2018	
2 x 1500 MVA, 765/400kV Parli (New) S/S	Maharashtra	3,000 MVA	765/400 kV substation	April 27, 2018	
Warora (Pooling Station) – Parli (New)	Maharashtra	693.70 ckm	765 kV D/C	June 4, 2018	57.00%

The average availability of PPTL since its commercial operation is set forth in the table below, which is higher than the target availability of 98% as specified in the PPTL TSA. As a result, PPTL earned incentive revenue of ₹ 91.21 million and ₹ 110.72 million in Fiscals 2019 and 2020, respectively, and ₹ 88.78 million for the nine months ended December 31, 2020. As of November 30, 2020, the PPTL TSA had a remaining term of 32.51 years.

Sr. No.	Financial Year	Average Availability (%)
1.	2019*	99.77
2.	2020	99.92
3.	2021**	99.92

* *For the months of June 2018 – March 2019*
** *For the months of April 2020 – December 2020*

Project Background: Transmission system strengthening was planned for the evacuation and supply of power from the Gadarwara STPS to the beneficiaries of the generation project which include 765 kV D/C Gadarwara STPS – Jabalpur Pool line and 765 kV D/C Gadarwara STPS – Warora Pool – Parli – Solapur line. This transmission system strengthening facilitated immediate evacuation as well as supply of power to its beneficiaries with reliability and security. Beyond Solapur, dispersal of power to the beneficiaries of the generation project was to be through existing/planned transmission network under ISTS. The transmission system had been split into two parts viz. Part A and Part B. The transmission system covered under PPTL is Part B and was considered as a system strengthening in Western Region to facilitate dispersal of power beyond Warora pooling station.

PWTL was incorporated on August 5, 2014. Gadarwara (A) Transco Limited (erstwhile name of PWTL) entered into a transmission service agreement dated February 9, 2015 with its LTTCs (the "**PWTL TSA**") for transmission system for services for transmission of electricity for transmission system associated with Gadarwara STPS (2x800 MW) of NTPC (Part-A) on a BOOM basis. The project was awarded on March 11, 2015, through the TBCB mechanism, for a 35 year period from the Scheduled COD (as revised pursuant to a supplementary transmission services agreement dated September 11, 2019), *i.e.* July 10, 2018. PWTL was granted transmission license by CERC on August 5, 2015. Subsequently, PWTL entered into a transmission service agreement dated October 27, 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated October 27, 2016 with the CTU. For further details in relation to the key terms of the TSA and RSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

PWTL operates four transmission lines of approximately 1,028.11 ckm comprising one 765 kV double circuit line of approximately 204.47 ckm from Gadarwara (Madhya Pradesh) to Jabalpur (Madhya Pradesh), including the interim arrangement, one 765 kV double circuit line of approximately 627.35 ckm from Gadarwara (Madhya Pradesh) to Warora (Maharashtra), and two lines comprising LILO of both circuits of Wardha - Parli (PG) 400 kV D/C line at Warora pooling station aggregating to approximately 196.29 ckm from LILO point of 400kV D/C Quad Wardha (Maharashtra)-Parli (Maharashtra) transmission line to Warora pooling station (Maharashtra). In addition, PWTL has established one 765/400 kV substation in Warora (Maharashtra) with a total transformation capacity of 3,000 MVA. The PWTL project was fully commissioned in July 2018. As of December 31, 2020, the gross block of PWTL was ₹ 22,320.66 million.

Details of PWTL's transmission lines and substations are set forth as follows:

Transmission lines/ Substations	Location	Line length (in ckm) / Transformation Capacity (in MVA)	Specifications	COD	Contribution to total transmission charges
Interim arrangement*	Madhya Pradesh	30.55 ckm	765 kV D/C	November 30, 2016	21.00%
Gadarwara STPS-Jabalpur Pool	Madhya Pradesh	173.92 ckm	765 kV D/C	May 31, 2017	
LILO of both circuits of Wardha - Parli (PG) 400 kV D/C line at Warora Pooling Station (Quad)	Maharashtra	196.29 ckm	400 kV D/C	May 16, 2018	79.00%
Gadarwara STPS-New Pooling Station within the jurisdiction/ boundary of Warora	Madhya Pradesh and Maharashtra	627.35 ckm	765 kV D/C	July 10, 2018	
2x1500 MVA, 765/400 kV (New Pooling Station within the jurisdiction/ boundary Warora)	Maharashtra	3,000 MVA	765/400kV substation	July 10, 2018	

** As per the interim arrangement, LILO of existing Seoni-Bina 765kV S/C line at Gadarwara STPS would be established. At a later date, LILO portion would be delinked from Seoni-Bina 765kV S/C line to restore the Seoni-Bina 765 S/C direct line, and the LILO portion would be extended to the Jabalpur 765/400 kV Pooling Station to form the proposed Gadarwara 765/400kV Pooling Station to form the proposed Gadarwara-Jabalpur Pool 765 kV D/C line*

The average availability of PWTL since its commercial operation is set forth in the table below, which is higher than the target availability of 98% as specified in the PWTL TSA. As a result, PWTL earned annual incentive revenue of ₹ 14.46 million, ₹ 93.69 million and ₹ 120.37 million in Fiscals 2018, 2019 and 2020, respectively, ₹ 98.84 million for the nine months ended December 31, 2020. As of November 30, 2020, the PWTL TSA had a remaining term of 32.60 years.

Sr. No.	Financial Year	Average Availability (%)
1.	2019*	99.84
2.	2020	99.81
3.	2021**	99.86

** For the months of July 2018 – March 2019*
*** For the months of April 2020 – December 2020*

Project Background: Transmission system strengthening was planned for the evacuation and supply of power from the Gadarwara STPS to the beneficiaries of the generation project which include 765 kV D/C Gadarwara STPS – Jabalpur Pool line and 765 kV D/C Gadarwara STPS – Warora Pool – Parli – Solapur line. This transmission system strengthening facilitated immediate evacuation as well as supply of power to its beneficiaries with reliability and security. Beyond Solapur, dispersal of power to the beneficiaries of the generation project was to be through existing/planned transmission network under ISTS. The transmission system had been split into two parts viz. Part A and Part B. The transmission system covered under PWTL pertains to Part A.

POWERGRID Jabalpur Transmission Limited

PJTL was incorporated on August 14, 2014. Vindhyachal Jabalpur Transmission Limited (erstwhile name of PJTL) entered into a transmission service agreement dated November 19, 2014 with LTTCs (the "**PJTL TSA**") for transmission of electricity for transmission system strengthening associated with Vindhyachal-V on a BOOM basis. The project was awarded on February 10, 2015, through the TBCB mechanism, for a 35 year period from the Scheduled COD, *i.e.* June 25, 2018. As of the date of this Draft Offer Document, the relevant LTTCs, through a joint coordination meeting held on April 24, 2020, agreed in-principle to revise the Scheduled COD by 180 days, subject to approval of the management of the LTTCs and execution of a supplementary transmission services agreement. Further, through a letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited, the lead LTTC, granted its consent to revise the Scheduled COD by 180 days. PJTL is in the process of entering into a supplementary transmission services agreement for the revision of the Scheduled COD under the PJTL TSA. PJTL was granted transmission license by CERC on June 15, 2015. Subsequently, PJTL entered into a transmission service agreement dated August 22, 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated August 22, 2016 with the CTU. For further details in relation to the key terms of the TSA and RSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

PJTL operates one 765 kV double circuit line of approximately 745.05 ckm from Vindhyachal (Madhya Pradesh) to Jabalpur (Madhya Pradesh). The PJTL project was fully commissioned in January 2019. As of December 31, 2020, the gross block of PJTL was ₹ 15,294.95 million.

Details of PJTL's transmission lines are set forth as follows:

Transmission lines	Location	Line length (in ckm)	Specifications	COD	Contribution to total transmission charges
Vindhyachal Pooling Station- Jabalpur Pooling Station	Madhya Pradesh	745.05	765 kV D/C	June 25, 2018*	100%

** The relevant LTTCs, through a joint coordination meeting held on April 24, 2020, agreed in-principle to revise the Scheduled COD by 180 days, subject to approval of the management of the LTTCs and execution of a supplementary transmission services agreement. Further, through a letter dated September 30, 2020, Maharashtra State Electricity Distribution Company Limited, the lead LTTC, granted its consent to revise the Scheduled COD by 180 days. PJTL is in the process of entering into a supplementary transmission services agreement for the revision of the Scheduled COD under the PJTL TSA.*

The average availability of PJTL since its commercial operation is set forth in the table below, which is higher than the target availability of 98% as specified in the PJTL TSA. As a result, PJTL earned annual incentive revenue of ₹ 11.76 million and ₹ 78.09 million in Fiscals 2019 and 2020, respectively, and ₹ 52.69 million for the nine months ended December 31, 2020. As of November 30, 2020, the PJTL TSA had a remaining term of 33.08 years.

Sr. No.	Financial Year	Average Availability (%)
1.	2019*	99.17
2.	2020	99.77
3.	2021**	99.45

** For the months of January 2019 – March 2019*
*** For the months of April 2020 – December 2020*

Project Background: The transmission system strengthening was planned for the evacuation and supply of power from the Vindhyachal-V to the beneficiaries of the generation project which include Vindhyachal Pool – Jabalpur Pool 765kV D/c line. This transmission system strengthening shall facilitate supply of power to its beneficiaries with reliability and security. The transmission line of the above system i.e Vindhyachal Pooling Station to Jabalpur 765 kV DC line was proposed to be implemented through Tariff Based Competitive Bidding process vide scheme "Transmission System Strengthening associated with Vindhyachal-V".

Month-wise revenue of the Initial Portfolio Assets for January, February and March 2021

Initial Portfolio Asset	January 2021	February 2021	March 2021
	(₹ in million)		
PVTL	258.17	233.13	257.48
PKATL	62.41	53.53	62.01
PPTL	278.11	250.67	538.99*
PWTL	306.75	276.63	676.57**
PJTL	207.10	206.56	210.22

** Includes ₹ 261.87 million recognized as revenue up to and including March 2021, consequent to the order dated January 29, 2021 passed by CERC for providing relief due to change in law. However, the amount, when realized, shall be transferred to the Sponsor in terms of the share purchase agreement. For further details, please see the section entitled "Related Party Transactions – Share Purchase Agreements" on page 199.*

*** Includes ₹ 369.02 million recognized as revenue up to and including March 2021, consequent to the order dated January 25, 2021 passed by CERC for providing relief due to change in law. However, the amount, when realized, shall be transferred to the Sponsor in terms of the share purchase agreement. For further details, please see the section entitled "Related Party Transactions – Share Purchase Agreements" on page 199.*

Operation and Maintenance

O&M plays an important role in the transmission sector, as optimum functioning with maximum availability of transmission lines ensures continuous quality power supply to the customers. In accordance with the Project Implementation and Management Agreement and O&M agreements (the "**O&M Agreements**") entered into between each of the Initial Portfolio

Assets and our Project Manager, the O&M of the Initial Portfolio Assets will be undertaken by our Project Manager. For further details, please see "*Parties to the Trust – The Project Manager*" on page 113.

The Sponsor, under existing consultancy agreements, had been carrying out operation and maintenance of the Initial Portfolio Assets since their respective commissioning dates. The Project Manager has entered into the O&M Agreements with each of the Initial Portfolio Assets to take up the operation, maintenance and management activities of each of the Initial Portfolio Assets with effect from April 1, 2020. Pursuant to the terms of the O&M Agreements, the scope of services to be provided by the Project Manager shall include all the responsibilities and activities set out in article 7 of the relevant TSA, and shall also include:

(i). routine O&M and preventive maintenance of various transmission elements in line with the O&M practices of the Project Manager;
(ii). breakdown rectification works, due to natural calamities / acts of God or otherwise involving damage / collapse of towers or foundations, equipment failure etc., all follow-ups, tie-ups, due diligence/ arrangements. All cost towards deployment of third party men and/or materials required for above shall be borne by the relevant Initial Portfolio Asset, and the Project Manager will not charge extra for its own manpower for breakdown rectification;
(iii). providing tools and plants required for operation and maintenance;
(iv). providing, on demand of the relevant Initial Portfolio Asset and subject to availability with the Project Manager, an emergency restoration system (ERS) for restoration of the transmission line(s) in case of emergent situations, on a chargeable basis; and
(v). submitting availability calculations along with requisite documents to the relevant Regional Power Committee ("**RPC**") and coordinating with the RPC for certifications.

Further, the Project Manager is required to provide additional services in relation to accounting, billing and collections, administrative functions, procurement, legal support, regulatory support and engineering for the Initial Portfolio Assets, including but not limited to:

(i). deployment, monitoring and day to day management of security services;
(ii). undertaking legal, statutory and regulatory matters and compliances of the Initial Portfolio Assets with appropriate governments, departments, authorities, commissions, bodies or agencies, as and when required;
(iii). ensuring timely verification and submission of bills and all other statutory and regulatory payment invoices and challans to the chief executive officer for timely release of payment by the relevant Initial Portfolio Asset; and
(iv). arranging requisite insurance of assets belonging to the Initial Portfolio Assets and lodging and settlement of claims with the insurance agency (for which the requisite authorizations shall be provided by the relevant Initial Portfolio Asset).

To undertake its functions and obligations under the O&M Agreements, our Project Manager is required to deploy an O&M team. Our Project Manager implements various latest techniques in order to minimize shutdown time for periodic maintenance checks and breakdown maintenance. Our Project Manager has implemented emergency restoration systems ("**ERS**") which have been strategically placed at various locations across India along with skilled manpower necessary for its installation and operations, which has benefited our Project Manager with experience in successfully implementing ERS for uninterrupted operations and quick restoration of transmission services in case of emergencies. Further, in case of exigencies, ERS towers can be shifted to the affected sites.

Our Project Manager has adopted monitoring techniques for substation equipment for better availability of transmission systems, improved business performance, reduced costs and increase in revenues generated by the Initial Portfolio Assets.

Insurance

Our business operations are subject to hazards inherent in providing operation and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. To mitigate such risks, transmission project insurance policies covering the Initial Portfolio Assets (the "**Insurance Policies**") have been obtained. The Insurance Policies cover, amongst others, property damage, third party liability and terrorism damage cover for the Initial Portfolio Assets, and in case of PKATL, the relevant Insurance Policy also covers business interruption losses and loss of transmission revenue. In addition to a terrorism damage cover, the sum insured under the Insurance Policies is ₹ 71,877.30 million. The Insurance Policies are valid from November 1, 2020 to October 31, 2021. The insurer for the Insurance Policies is The New India Assurance Company Limited.

Our Investment Manager and the Trustee confirm that adequate insurance coverage has been obtained to insure our business and operations and all the assets held by us. However, our insurance policies may not be sufficient to cover our economic loss.

For further details, please see "*Risk Factors – Our insurance policies may not provide adequate protection against various risks associated with our operations*" on page 58.

Human Resources

Certain key managerial personnel have been appointed by each of the Initial Portfolio Assets. Further, pursuant to the terms of the O&M Agreements, the Project Manager may sub-contract any of its obligations under the O&M Agreements to third parties.

Competition

Our future growth will be derived primarily from our value accretive acquisition strategy, which will be focused on acquiring power transmission projects in India and construction and development of power transmission projects, in accordance with the investment conditions prescribed under the InvIT Regulations. We face competition from other power transmission companies in India, including Sterlite Power Grid Ventures Limited, Adani Transmission Limited, Kalpataru Power Transmission Limited, other developers and other InvITs in India, including in the power transmission sector, in acquiring profitable power transmission projects in India in the future.

We believe that competition in acquisition of power transmission projects depends on, among other factors, the geographic region, nature, size, and complexity of the transmission projects. Further, size, scheduling and complexity of acquiring and maintaining certain large scale projects preclude participation by smaller and less sophisticated companies that operate in our industry. While we have significant competitive advantage due to the support from our Sponsor (see, "*– Competitive Strengths – Strong lineage and support from our Sponsor*" on page 139), some competitors have or may have in the future greater financial resources, economies of scale and operating efficiencies than us.

In respect of new and eligible acquisition opportunities, we may rely on our Sponsor which faces competition from other power transmission companies in India, as most of the transmission projects are awarded under the TBCB mechanism adopted by the Central and the State Governments. As per the extant Government of India guidelines, the bidder, whose bid is evaluated by the BPC as having quoted the lowest annual levelised tariff, is selected and the relevant asset is to be developed on a BOOM basis by the winning bidder. Consequently, if the share of our Sponsor in future opportunities decreases, our growth prospects and our ability to increase, or maintain, distributions, could be harmed. See "*Risk Factors – 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"* on page 57.

Health, Safety, and Environmental Considerations

Pursuant to the O&M Agreements, the Project Manager shall comply with environmental regulations and standards applicable to the operations of the SPV and shall ensure that environmental pollution is minimised. In complying with its obligations under the O&M Agreement, the Project Manager shall be committed to provide a safe and healthy working environment and in complying with its obligations under O&M Agreements, the Project Manager shall develop, maintain, and apply socially acceptable practices in the workplace.

Properties

Rights of way and related compensation are dealt with under Sections 67 and 68 of the Electricity Act, read with Section 10 of the Indian Telegraph Act, 1885 (the "**Indian Telegraph Act**"). Each of the Initial Portfolio Assets after following due process has been authorized to use power conferred under Section 164 of the Electricity Act. Section 164 of the Electricity Act provides the Initial Portfolio Assets with powers of telegraph authority as provided in the Indian Telegraph Act, which facilitates the construction and operation of transmission lines by the Initial Portfolio Assets without the requirement to acquire land, subject to payment of compensation at the rate of the land value for tower footing and up to 15% of the land value for RoW of the line for transmission systems of voltage of 66 kV and above, if, and to the extent, the concerned State has adopted the MoP guidelines of October 15, 2015 and July 16, 2020. All original rights are vested with the landowner who is allowed to continue cultivation after construction. In case of resistance, the Initial Portfolio Assets can approach local authorities to take appropriate enforcement action and to obtain resolution.

Further, certain of the Initial Portfolio Assets have acquired certain properties or rights to utilise such properties, for establishment of sub-stations.

The Investment Manager has entered into a lease agreement with our Sponsor for its corporate office located at plot no. 2, sector 29, Gurgaon, Haryana ("**Corporate Office**") from which it proposes to conduct operations pertaining to the Trust including administrative and reporting activities.

Intellectual Property

We do not own the "POWERGRID", "PGInvIT" and "PUTL" trademarks and "POWERGRID", "PGInvIT" and "PUTL" logos. For further details, please see "*Risk Factors – We do not own the "POWERGRID" trademark and logo. Our license to use the "POWERGRID" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired*" on page 65. However, our Investment Manager and our Trustee (on our behalf) have entered into a trademark license agreement dated January 23, 2021 with our Sponsor (the "**Trademark License Agreement**"). As per the Trademark License Agreement, our Sponsor has granted us a non-exclusive, non-transferable, royalty-free and non – assignable license (without the right of sub-license) to use the aforementioned trademarks in relation to our business throughout India and the rest of the world, including for the purposes of our logos. Under the Trademark License Agreement, the Investment Manager and the Trustee are required to jointly pay an amount of ₹ 100 to the Sponsor as a one time, full and final payment as license fee.

Information Technology

We believe that information technology systems are key to the ability to manage our business and we, through our Investment Manager and Project Manager, continuously seek to evolve and upgrade our technology. Our Project Manager will use its information technology systems to coordinate our operations through the enterprise resource planning solutions implemented by our Project Manager.

Moreover, in accordance with the lease agreement entered into between our Investment Manager and our Sponsor for the Corporate Office, our Investment Manager is permitted to use our Sponsor's information technology systems including hardware and software, with firewalls, security features and telecommunications systems.

SUMMARY OF KEY AGREEMENTS

The Initial Portfolio Assets, have entered into TSAs with LTTCs as per the bid documents, and thereafter TSAs and RSAs as per the CERC Sharing Regulations with CTU, the key terms of which are provided below.

TSA with LTTCs ("LTTC TSAs")

The Initial Portfolio Assets have entered into TSAs with their respective LTTCs to set up projects on a BOOM basis and to provide transmission service on long term basis to their respective LTTCs on the terms and conditions contained in the TSAs. The term of each of the TSAs is 35 years from the scheduled commercial date of operation of the project, unless terminated earlier in accordance with the terms of the TSA or extended by the CERC on the terms and conditions specified by the CERC. Each of the TSAs with LTTCs provides for, *inter alia*, details and procedure of project execution, development, construction, connection and commissioning, O&M, availability, insurances, force majeure, change in law, event of default and billing and payment of transmission charges.

Each of the TSAs provide that the Initial Portfolio Assets shall, at their own cost and expense, observe, comply with, perform, undertake and be responsible for, *inter alia*, (i) procuring and maintaining all consents, clearances and permits; (ii) financing, constructing, owning and commissioning each of the element of project in accordance with the terms and conditions of the TSAs; (iii) owning the project free and clear of any encumbrances; (iv) providing the LTTCs monthly progress reports; (v) operating and maintaining the project in an efficient, coordinated and economical manner while complying with applicable laws. Each of the TSAs provide for the target availability of the project to be 98%. Further, the LTTCs are required to pay the Initial Portfolio Assets, transmission charges on a monthly basis, from the COD until the expiry date of the respective TSAs which shall be calculated in accordance with the provisions of the respective TSAs. In addition, incentive payments, on account of availability being more than the target availability, shall be payable by the LTTCs on annual basis. Further, the Initial Portfolio Assets are required to pay a penalty, on an annual basis, on account of availability being less than 95% in any contract year. In addition, the TSA provides for lock-in conditions for the equity shareholding of the selected bidder in the project which should not be less than 51% up to a period of two years from the commercial operation date of the project and 26% for a period of three years thereafter.

The TSAs entered into with the LTTCs state that the occurrence and continuation of certain events will constitute a default by the Initial Portfolio Assets (unless such default is by the LTTCs or a *force majeure* event), which includes, (i) transfer or novation of obligations in a manner contrary to the TSA, subject to certain conditions provided in the TSA, (ii) assign, mortgage or charge of assets or rights related to assets in contravention to the provisions of the TSA, (iii) winding up, bankruptcy or insolvency proceedings being passed, (iv) revocation of transmission license of the Initial Portfolio Assets, (v) failure to achieve target availability of 98% for a period of six consecutive months or six months within a period of 18 months, (vi) non-payment of (a) an amount exceeding ₹ 5.00 million required to be paid to the LTTCs within three months after the due date of an undisputed invoice raised by the LTTC on the Initial Portfolio Asset or (b) an amount of up to ₹ 5.00 million required to be paid to the LTTCs within six months after the due date of an undisputed invoice, (vii) failure to comply with prevailing regulations or material breach of the TSA by the Initial Portfolio Asset (except where due to any default by the LTTCs) and such material breach not rectified within 30 days of receipt of notice from the majority LTTCs. Further, the occurrence and continuation of certain events will constitute a default by the LTTCs (unless such breach is by the Initial Portfolio Assets or a *force majeure* event), which includes, (i) LTTC fails to pay an amount exceeding 30% of the most recent undisputed monthly bill for a period of 90 days after the due date and the Initial Portfolio Asset is unable to recover the amount outstanding through a letter of credit, (ii) winding up, bankruptcy or insolvency proceedings being passed, and (iii) failure to comply with prevailing regulations or material breach of the TSA by the LTTC (unless such breach is by the Initial Portfolio Asset) and such material breach not rectified within 30 days of receipt of notice from the Initial Portfolio Assets.

Agreements with CTU as per the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ("CERC Sharing Regulations 2010")

Towards recovery of the yearly transmission charges ("**YTC**") of all the ISTS licensees in the country from the users, identified as 'Designated Inter-state Transmission System Customers ("**DICs**") which *inter alia* includes the LTTCs', CERC notified the CERC Sharing Regulations 2010 which was made effective from July, 2011. As per the CERC Sharing Regulations, 2010, the YTC of all the ISTS licensees is pooled and CTU is mandated to raise transmission charges bills on the DICs on behalf of all the ISTS licensees and disburse the collected payments to the ISTS licensees in a prorated manner. Such sharing mechanism is known as 'Point of Connection (POC)' mechanism of sharing of transmission charges. A billing, collection and disbursement procedure made by the CTU detailing the billing, collection and disbursement activity under CERC Sharing Regulations, 2010 was also notified by CERC.

Further, as per the provisions of the CERC Sharing Regulations, 2010 all the ISTS licensees and DICs shall sign the TSA with the CTU, to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursement of the transmission charges collected by the CTU. The ISTS licensees shall also sign revenue sharing agreements with the CTU for sharing revenue among the inter-state transmission licensees and disbursement of transmission charges collected from the DICs.

CERC Sharing Regulations

However, post the notification of CERC Sharing Regulations which were made effective from November 1, 2020, relevant features of TSA, RSA and BCD Procedure have been included. Further, the TSAs and RSAs as on date of commencement of CERC Sharing Regulations shall be saved till expiry of these agreements to the extent they are not in conflict with provisions of the CERC Sharing Regulations, as amended from time to time.

TSA with the CTU ("Sharing Regulations TSAs")

Pursuant to the CERC Sharing Regulations, 2010, the Initial Portfolio Assets entered into TSAs with DICs, ISTS licensees and Non-ISTS licensees who have authorized CTU to sign on their behalf. The TSAs are to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursement of the transmission charges. According to the TSAs, all the DICs agree to the methodology of sharing the transmission charges as per the CERC Sharing Regulations, 2010, agree to pay such charges, abide by the detailed 'billing, collection and disbursement procedure' of the CTU. The provisions of TSAs mandate all DICs shall open letter of credit as payment security mechanism and each DIC agrees to allow the CTU to enforce recovery of payment through letter of credit on behalf of all the ISTS licensees in the event of default of payment. If payment by a DIC against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 60 days 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, as amended**.**

Order of priority between LTTC TSAs and Sharing Regulations TSAs

In the event of any conflict between the LTTCs TSAs and the Sharing Regulations TSAs, the Sharing Regulations TSAs shall supersede as far as sharing of transmission charges are concerned.

Terms common between the LTTC TSAs and the Sharing Regulations TSAs

Some of the conditions common to both LTTC TSAs and the Sharing Regulations TSAs are as under:

The TSAs signed with LTTCs and the TSAs signed with CTU also provide for *force majeure* relief to any of the LTTCs, agents of the LTTCs, CTU/STU and the Initial Portfolio Assets, and the inter-state transmission service licensees and inter-state transmission system customers (which *inter alia*, includes the LTTCs) as applicable, (the "**Affected Parties**") affected by the occurrence of a *force majeure* event, subject to certain terms and conditions of the respective TSAs. The TSAs defines a *force majeure* event as a circumstance, or a combination of events and circumstances, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under the TSA, but only if and to the extent that such events or circumstances are not within the reasonable control, directly or indirectly of the Affected Party, and could not have been avoided if the Affected Party had taken reasonable care or complied with prudent utility practices and includes natural events such as an act of God, and non-natural events, both direct and indirect, such as nationalization or compulsory acquisition by the Government of India of any material assets or rights of the Initial Portfolio Asset, acts of war, invasion, armed conflict or act of a foreign enemy, blockade, embargo, riot, 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 shall continue to perform its obligations under the TSAs and shall use its efforts to mitigate the effect of such event, as soon as practicable. The Affected Party shall not be in breach of its obligations pursuant to such 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 system customer or inter-state transmission system licensee and the Initial Portfolio Assets and the LTTCs shall be entitled to claim relief for a *force majeure* event affecting its performance in relation to its obligations under their respective TSAs. Computation of availability under outage due to a *force majeure* event shall be in accordance with the applicable regulations.

In addition, the TSAs with LTTC and the TSAs signed with the CTU also set out change in law as being, *inter alia*, (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 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 was not required earlier or (iv) change in the terms and conditions prescribed for obtaining such consents, clearances and permits or (v) any change in tax or introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of such TSA. Any adjustment in the monthly transmission charges on account of change in law is to be determined and effective from such date, as decided by the CERC and shall be final and binding, subject to rights of appeal provided under applicable law. In particular, the TSAs entered with the CTU provides that in case of ISTS systems awarded through competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law shall be seven days prior to the relevant bid due date for submission of tariff bid. Further, the TSAs entered into with the LTTCs provide that during the operation period, the compensation for any increase/ decrease in revenues on account of change in law shall be payable only if the increase/ decrease in revenues or cost to the Initial Portfolio Assets is in excess of an amount equivalent to 1% of transmission charges in aggregate for a contract year.

The LTTC TSAs and the Sharing Regulations TSAs signed with CTU state that the occurrence and continuation of certain events will constitute a default by the inter-state transmission service licensees (unless such default is by the inter-state transmission service customers or a *force majeure* event), which includes, (i) transfer or novation of obligations in a manner contrary to the TSA, subject to certain conditions provided in the TSA, (ii) assign, mortgage or charge of assets or rights related to assets in contravention to the provisions of the TSA, (iii) winding up, bankruptcy or insolvency proceedings being passed, (iv) revocation of transmission license, (v) failing to achieve monthly target availability, as specified in CERC regulations and the TSA, and (vi) material breach of the TSA and such material breach not rectified within 30 days of receipt of notice from the concerned inter-state transmission service customer.

RSA with CTU

Pursuant to the CERC Sharing Regulations, the Initial Portfolio Assets have entered into revenue sharing agreements with the CTU ("**RSAs**") which shall continue in accordance with the Sharing Regulations TSAs until the validity of the respective TSAs. The transmission charges collected in accordance with the 'billing, collection and disbursement procedure' shall be disbursed to each of 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 system by the DICs, shall be billed and collected by the CTU on behalf of all inter-state transmission system licensees. The CTU shall disburse the transmission charges, as collected by it to the respective inter-state transmission services licensees and owners of deemed inter-state transmission system whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection and disbursement procedure. Delayed payment or partial payment or non-payment by any inter-state transmission services customers shall result in 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 shall be in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee, under the RSAs, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanism 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 shall further agree and empower the CTU to invoke the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010, as amended from time to time and in accordance with the detailed billing, collection and disbursement procedure. Further, if the inter-state transmission licensee do not question or dispute any revenue share statement within 30 days of receiving it, the revenue share statement shall be considered correct, accurate and conclusive. In case the inter-state transmission system licensee disputes any part set out in the revenue share statement, it shall serve a notice to the CTU in accordance with the terms and conditions of the RSAs. In addition, the RSAs require the parties meet at least twice a year to review the compliance of the RSAs and form a co-ordination committee to co-ordinate the activities as specified in the RSAs.

INFORMATION CONCERNING THE UNITS

Unitholding of the Trust

Particulars	Number of Units
Units issued and outstanding prior to this Offer	410,650,900 (1)
Units issued and outstanding after this Offer	909,999,200

(1) *The first allotment of Units was undertaken to the Sponsor on May 6, 2021, in accordance with the Share Purchase Agreements (for further details, please see the section entitled "Related Party Transactions – Share Purchase Agreements" on page 199) after the Bid/ Offer Closing Date and prior to the Allotment of Units pursuant to the Offer.*

Unitholders holding more than 5% of the Units

Sr. No.	Name of Unit Holders	Pre- Offer		Post- Offer*	
		Number of Units	Percentage of holding (%)	Number of Units	Percentage of holding (%)
1.	The Sponsor	410,650,900	100	136,500,100	15

* *The first allotment of Units was undertaken to the Sponsor on May 6, 2021, in accordance with the Share Purchase Agreements (for further details, please see the section entitled "Related Party Transactions – Share Purchase Agreements" on page 199) after the Bid/ Offer Closing Date and prior to the Allotment of Units pursuant to the Offer.*

Unitholding of the Sponsor, Investment Manager, Project Manager and Trustee

The Sponsor (also acting as the Project Manager) holds 410,650,900 Units (including units offered in the Offer for Sale), as disclosed above, upon completion of the transfer of the Initial Portfolio Assets to the Trust, as determined in accordance with the Share Purchase Agreements. The Trustee and the Investment Manager do not hold any Units and shall not acquire any Units in this Offer.

Unitholding of the directors of the Investment Manager

As on the date of this Final Offer Document, none of the directors of the Investment Manager hold any Units or propose to hold any Units.

Sponsor lock-in

In terms of the InvIT Regulations, the Sponsor holds 15% of Units on a post-Offer basis, being 136,500,100 Units which shall be locked-in for a period of three years from the date of listing of the Units, subject to the conditions specified in the InvIT Regulations.

Anchor Investor lock-in

Any Units Allotted to Anchor Investors in this Offer shall be locked-in for a period of 30 days from the date of Allotment.

USE OF PROCEEDS

The Offer comprises a Fresh Issue by the Trust and an Offer for Sale by the Selling Unitholder.

Offer for Sale

The Selling Unitholder will be entitled to the proceeds of the Offer for Sale and the proceeds received from the Offer for Sale will not form part of the Offer Proceeds. The Trust will not receive any proceeds from the Offer for Sale.

Fresh Issue

The proceeds of the Fresh Issue will be ₹ 49,934.83 million. The Offer Proceeds will be utilised towards the following objects:

- providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets; and
- general purposes.

Requirements of Funds

The Offer Proceeds are proposed to be used in accordance with the details provided in the following table:

(In ₹ million)

Sr. No.	Particulars	Amount
1.	Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets	49,934.83
2.	General purposes	Nil
Total		**49,934.83**

The Investment Manager believes that providing of loans to the Initial Portfolio Assets, and the subsequent pre-payment or scheduled repayment of the loans availed by the Initial Portfolio Assets will help reduce outstanding indebtedness of the Trust on a consolidated basis and assist the Trust in maintaining a favourable debt-equity ratio, which will enable the Trust to raise further resources in the future to fund potential business development opportunities and plans to grow and expand its business in the future thereby enabling the Trust to meet its commitment towards distributions to Unitholders.

The fund requirements mentioned above and the proposed deployment are based on the estimates of the Investment Manager and have not been appraised by any bank, financial institution or any other external agency. The fund requirements may vary due to factors beyond the Investment Manager's control, such as market conditions, competitive environment and interest/exchange rate fluctuations. Consequently, the fund requirements are subject to revisions in the future at the discretion of the Investment Manager. In the event of any shortfall of funds for the activities proposed to be financed out of the Offer Proceeds as stated above, the Investment Manager may re-allocate the Offer Proceeds to the activities where such shortfall has arisen, subject to compliance with applicable law.

Details of Utilisation of Offer Proceeds

The details of utilisation of the Offer Proceeds are set forth herein below:

1. ***Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets***

   The Trust proposes to utilise an estimated aggregate amount of ₹ 49,934.83 million from the Offer Proceeds to provide loans to the Initial Portfolio Assets by entering into the Facility Agreements.

   The Initial Portfolio Assets will utilize the funds raised through such loans towards pre-payment or repayment of debt, including any accrued interest, availed from the Sponsor as described below. For details of the Facility Agreements, please see the section entitled "*Formation Transactions in relation to the Trust – Utilisation of Offer Proceeds*" on page 24.

Sr. No.	Initial Portfolio Asset	Principal Amount Outstanding as on March 31, 2021 (in ₹ million)	Interest outstanding as on March 31, 2021 (in ₹ million)
1.	PVTL	7,839.88	Nil
2.	PKATL	1,860.00	Nil
3.	PPTL	13,005.00	Nil
4.	PWTL	15,400.00	Nil
5.	PJTL	11,829.96	Nil
Total		**49,934.84**	**Nil**

Offer Expenses

The total expenses of this Offer are estimated to be approximately ₹ 380.21 million. The Offer expenses consist of fee and commissions payable to the Lead Managers, fee payable to legal counsels, fee payable to Escrow Collection Banks and Registrar to the Offer, printing and stationery expenses, and all other incidental and miscellaneous expenses for listing the Units on the Stock Exchanges. All Offer expenses shall be borne by the Sponsor. The break-up for the Offer expenses is as follows:

(In ₹ million)

Activity	Estimated expenses*	As a % of the total estimated Offer expenses*	As a % of the total Offer Size*
Fee and commission to advisors to this Offer	200.95	52.85	0.26
Fee payable to others	179.26	47.15	0.23
Total estimated Offer expenses	380.21	100	0.49

* *Determined upon finalisation of the Offer Price and updated in this Final Offer Document prior to filing with SEBI and the Stock Exchanges.*

Selling Commissions

Selling commission on the Non-Institutional Investor Portion which are procured by Members of the Syndicate (including their Sub-syndicate Members), SCSBs, RTAs and CDPs would be as set forth:

Non-Institutional Investor Portion	0.25% of the amount Allotted* (plus applicable tax) on applications below ₹ 0.2 million 0.15% of the amount Allotted* (plus applicable tax) on applications of ₹ 0.2 million and above

** Amount Allotted is the product of the number of Units Allotted and the Offer Price.*

No processing fees shall be payable to the SCSBs on the applications directly procured by them. Any additional amounts to be paid by the InvIT shall be, as mutually agreed upon the Lead Managers, their affiliate Syndicate Members and our Manager(on behalf of the InvIT) prior to the Bid/ Offer Opening Date.

ASBA Processing Fees to SCSBs

Processing fees payable to the SCSBs on the Non-Institutional Investor Portion which are procured by the Members of the Syndicate/ Sub-syndicate/ Registered Brokers/ RTAs/ CDPs and submitted to SCSBs for blocking would be as set forth:

Non-Institutional Investor Portion	₹ 8 per valid application* (plus applicable tax)

**Based on valid Applications*

SCSBs will be entitled to a processing fee of ₹ 8 (plus applicable taxes), per valid ASBA Form, subject to total ASBA processing fees being maximum of ₹ 0.5 million (plus applicable taxes), for processing ASBA Forms procured by Members of the Syndicate, Sub-Syndicate Members, Registered Brokers, RTAs or CDPs from Non-Institutional Bidders submitted to the SCSBs. In case the total ASBA processing charges payable to SCSBs exceeds ₹ 0.5 million, the amount payable to SCSBs would be proportionately distributed based on the number of valid applications such that the total ASBA processing charges payable does not exceed ₹ 0.5 million.

Registered Brokers

Selling commission payable to the Registered Brokers on the Non-Institutional Investor Portion, which are directly procured by the Registered Brokers and submitted to SCSBs for processing, would be as set forth:

Non-Institutional Investor Portion	₹ 8 per valid application* (plus applicable tax)

**Amount of selling commission payable to Registered Brokers shall be determined on the basis of applications which have been considered eligible for the purpose of Allotment*

The total bidding charges payable to Registered Brokers will be subject to a maximum cap of ₹0.5 million (plus applicable taxes). In case the total selling commission payable to Registered Brokers exceeds ₹0.5 million, then the amount payable to Registered Brokers would be proportionately distributed based on the number of valid applications such that the total selling commission payable does not exceed ₹0.5 million.

FINANCIAL INDEBTEDNESS AND DEFERRED PAYMENTS

The details of indebtedness of the Initial Portfolio Assets together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

Category of borrowing	Pre-Offer Principal Amount outstanding, as on March 31, 2021 (in ₹ million)	Post-Offer outstanding amount (in ₹ million)
PVTL		
Sponsor loan	7,839.88	Nil
PKATL		
Sponsor loan	1,860.00	Nil
PPTL		
Sponsor loan	13,005.00	Nil
PWTL		
Sponsor loan	15,400.00	Nil
PJTL		
Sponsor loan	11,829.96	Nil*
Total	**49,934.84**	**Nil**

Note: The Initial Portfolio Assets have not availed any loans from the Lead Managers, their associates or related parties, associates of the Sponsor, the Trustee or its associates, banks or financial institutions that are presently outstanding.

* *The outstanding amount of loan of ₹ 0.01 million shall be repaid to the Sponsor through PJTL's internal accruals.*

Principal terms of the borrowings availed by us

The Initial Portfolio Assets have availed certain borrowings from the Sponsor. Under these borrowing arrangements, each Initial Portfolio Asset is required to seek prior written consent from the Sponsor for creation of any lien, pledge, mortgage, charge or other encumbrances or security right on its revenues or whole or any part of its present and future assets or property.

Status of lender consents

The Initial Portfolio Assets shall apply for any lender consents, if required.

Borrowing Policy

The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. Accordingly, the Investment Manager has formulated the Borrowing Policy to outline the process for borrowing monies in relation to the Trust. The key terms of the Borrowing Policy include, among other things, the following:

1. The Trust may raise debt and avail borrowings and deferred payments from time to time, including through issuance of debt securities and availing loans from banks and financial institutions in accordance with applicable law (including the InvIT Regulations). The Trust may issue debt securities in the manner specified by SEBI, and in accordance with applicable law.

2. The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the special purposes vehicles, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the InvIT Regulations.

3. In the event the aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) of the Trust, any holding company and the special purposes vehicles, exceed any thresholds prescribed under the InvIT Regulations in this regard, any further borrowings by the Trust shall be availed in accordance with the requirements prescribed under the InvIT Regulations, including any approval from Unitholders under Regulation 22 of the InvIT Regulations.

4. The Trust shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India. The Investment Manager and the Trustee (on behalf of the Trust) shall be permitted to borrow monies in relation to the Trust, subject to the approval of its board of directors or such other committee of the IM Board as may be constituted in this regard.

5. The Trust also has the power to mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Investment Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Trust.

6. Except with prior approval of the Unitholders and obtaining any other approvals required under applicable law (including the InvIT Regulations), any such obligation will not allow the Investment Manager to make the liabilities of the Trust or its Unitholders unlimited.

7. In addition to the above, any borrowing by any holding company or the InvIT Assets, incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with the conditions prescribed therein;

8. Any variation of the Borrowing Policy shall be in accordance with the InvIT Regulations.

9. In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of the Borrowing Policy. Notwithstanding the above, the Borrowing Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders.

10. *Disclosure and reporting:*

    i. The Investment Manager shall disclose to the designated stock exchange(s) any additional borrowing, at the level of the InvIT Assets or the Trust, as per the requirements prescribed under the InvIT Regulations.
    ii. Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone and consolidated) shall be disclosed in the annnual report of the Trust as per the requirements prescribed under the InvIT Regulations
    iii. Details of outstanding borrowings and deferred payments of the Trust, including any credit rating(s), debt maturity profile, gearing ratios of the Trust on a consolidated and standalone basis, shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FACTORS BY THE DIRECTORS OF THE INVESTMENT MANAGER AFFECTING THE FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS

You should read the following discussion and analysis of our financial condition, results of operations and cash flows in conjunction with the sections titled "Summary Combined Financial Information" and "Combined Financial Statements" on pages 26 and 287, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section titled "Risk Factors" on page 50. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section titled "Forward-Looking Statements" on page 16. The Combined Financial Statements are prepared in accordance with Ind AS, which differs in certain respects from Indian GAAP, IFRS and U.S. GAAP. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve months ended March 31 of that year. For the sole purposes of the Combined Financial Statements, references to "we", "us" and "our" is to PVTL, PKATL, PPTL, PWTL and PJTL on a combined basis.

Overview

We are an InvIT set-up to own, construct, operate, maintain and invest as an infrastructure investment trust as permissible in terms of the InvIT Regulations, including in power transmission assets in India. We were registered with SEBI as an InvIT on January 7, 2021. Our Sponsor, Power Grid Corporation of India Limited, also acting in the capacity of our Project Manager, is a CPSE under the Ministry of Power, GoI and is listed on BSE and NSE. Our Sponsor was conferred with 'Maharatna' status on October 23, 2019 by the GoI. As of March 31, 2019, our Sponsor was the third largest CPSE in terms of gross block as per the Public Enterprises Survey 2018-19 issued by the GoI, Ministry of Heavy Industries and Public Enterprises, Department of Public Enterprises in February 2020 ("**Public Enterprises Survey**"). As of November 1, 2020, our Sponsor was the largest power transmission company in India in terms of length of transmission lines measured in circuit kilometres (Source: CEA). As of August 31, 2020, our Sponsor's share in India's cumulative inter-regional power transfer capacity was more than 85% (Source: CEA). Further, for Fiscal 2020, our Sponsor's share in the transmission charges for ISTS billed by the CTU is over 85% (Source: POWERGRID). According to the World Bank, our Sponsor was internationally the third largest transmission utility as of October 25, 2019 (*Source: www.worldbank.org/en/country/india/overview#3*). Our Sponsor has been ranked the 'Fastest Growing Electric Utility' in the 'Asia/Pacific Rim' region for seven successive years since 2014 based on compound growth rate according to Platts Top 250 Global Energy Company Rankings® and is the only Electric Utility to feature in the Top 50 Fastest Growing Energy Companies list since 2014.

Our Sponsor is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India and undertakes operations in the Indian telecom infrastructure sector. As of December 31, 2020, our Sponsor also provides transmission and distribution consultancy services in India and other jurisdictions, with footprints in 21 countries (including India).

As of December 31, 2020, our Sponsor owned the Sponsor TBCB Projects. Our Sponsor, through its wholly-owned subsidiaries, is setting up, implementing and operating transmission projects at various locations in India where the right to provide transmission services is procured under the TBCB mechanism. As of December 31, eight of these ISTS SPVs had commenced commercial operations, comprising 39 transmission lines (6,398 ckm), with a total power transformation capacity of 9,630 MVA. The remaining Sponsor TBCB Projects are at different stages of development.

Of the Sponsor TBCB Projects, we propose to acquire five projects initially with a total network of 11 power transmission lines of approximately 3,698.59 ckm and three substations having 6,630 MVA of aggregate transformation capacity, as of December 31, 2020, across five states in India (the "**Initial Portfolio Assets**").

The Initial Portfolio Assets were awarded to our Sponsor under the TBCB mechanism on a build-own-operate-maintain ("**BOOM**") basis. The Initial Portfolio Assets earn revenues, i.e. availability based transmission charges, pursuant to the transmission service agreements ("**TSAs**"), from the DICs under such TSAs irrespective of the quantum of power transmitted through the transmission line. In addition, maintaining availability of the Initial Portfolio Assets in excess of 98%, gives us the right to claim incentives under the TSAs. The transmission charges for power transmission projects acquired through the TBCB mechanism, including the Initial Portfolio Assets, is contracted for the period of the relevant TSAs, which is 35 years from the Scheduled COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC. For further details in relation to the key terms of the TSA, please see the section entitled "*Summary of Key Agreements*" on page 160.

Our Investment Manager, POWERGRID Unchahar Transmission Limited, a wholly-owned subsidiary of our Sponsor, is responsible for managing us and the Initial Portfolio Assets as well as undertaking investment decisions relating to our assets. Our Investment Manager has been engaged in the power transmission business since Fiscal 2014 and has relevant infrastructure sub-sector experience owing to its involvement in the construction and operation of a transmission system. Our Investment Manager meets the prerequisite experience as required under the InvIT Regulations. Our Investment Manager has overall responsibility for setting our strategic direction, including in relation to our future acquisitions, divestment, or enhancement of assets. For further details, please see "*Parties to the Trust – The Investment Manager – POWERGRID Unchahar Transmission Limited*" on page 101.

Our Trustee, IDBI Trusteeship Services Limited, is a trusteeship company registered with SEBI as a debenture trustee under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, since February 14, 2017. On behalf of our Unitholders, the Trustee is responsible for (a) ensuring that our business activities and investment policies comply with the provisions of the InvIT Regulations, and (b) monitoring the activities of our Investment Manager (in terms of the Investment Management Agreement) and our Project Manager (in terms of the Project Implementation and Management Agreement). For further details, please see "*Parties to the Trust – The Trustee – IDBI Trusteeship Services Limited*" on page 92.

We intend to distribute at least 90% of the net cash available for distribution to our Unitholders once at least every quarter in every financial year. However, the first declaration of distribution by the Trust shall be made within six months from the listing and trading of units pursuant to the Offer, subject to compliance with the InvIT Regulations. For further details, please see the section entitled "*Distribution*" on page 194.

We believe that we are well positioned to take advantage of the growth potential of India's power transmission industry given our financial position, support from our Sponsor and the robust regulatory framework for power transmission in India. We are also focused on providing stable and sustainable distributions to our Unitholders.

Our revenue from operations for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 9,922.84 million, ₹ 13,242.87 million, ₹ 9,771.56 million and ₹ 3,435.69 million, respectively. Our profit for the period for the nine months ended December 31, 2020 and the Fiscals 2020, 2019 and 2018, was ₹ 3,371.42 million, ₹ 3,788.25 million, ₹ 2,480.63 million and ₹ 1,141.34 million, respectively.

We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively.

Presentation of Financial Information

The financial information in this Final Offer Document in relation to the Trust, is derived from the audited combined financial statements of the Initial Portfolio Assets, which comprise the combined balance sheets as at December 31, 2020, March 31, 2020, March 31, 2019 and March 31, 2018, and the related combined statements of profit and loss (including other comprehensive income), combined statements of cash flows and combined statements of changes in equity for the nine months ended December 31, 2020 and for the years ended March 31, 2020, March 31, 2019 and March 31, 2018, and a summary of significant accounting policies and other explanatory information ("**Combined Financial Statements**"). The Combined Financial Statements have been prepared in accordance with the basis of preparation as set out in note 2 (Significant Accounting Policies) to the Combined Financial Statements.

Further, the financial information for Fiscal 2018 in the Combined Financial Statements only reflects operating activities of PVTL, PKATL and certain elements of PWTL, since the remaining Initial Portfolio Assets did not achieve commercial operation until Fiscal 2019. In addition, during Fiscal 2018, PKATL and certain elements of PWTL became operational and revenue generating resulting in their operating activities being reflected from their respective CODs until March 31, 2018 and not for the full 12-month period in Fiscal 2018. Accordingly, the financial information for Fiscal 2018 in the Combined Financial Statements are not comparable with the financial statements for Fiscals 2019 and 2020 and for the nine months ended December 31, 2020 in the Combined Financial Statements, which reflect the operating activities of all Initial Portfolio Assets since all of them became operational and revenue generating in Fiscal 2019. Further, during Fiscal 2019, PJTL and PPTL became operational and revenue generating resulting in their respective operating activities being reflected from its respective COD until March 31, 2019 and not for the full 12-month period in Fiscal 2019. Accordingly, the financial information for Fiscal 2019 in the Combined Financial Statements is not comparable with the financial statements for Fiscal 2020 and for the nine months ended December 31, 2020 in the Combined Financial Statements, which reflects the operating activities of all Initial Portfolio Assets for the full 12-month period in Fiscal 2020 and the nine months period in the nine months ended December 31, 2020.

Factors Affecting the Trust's Results of Operation

Transmission charges norms

Electricity transmission charges comprise all of our revenue from operations, which include incentive for higher availability and is net of rebate offered to the customers for timely payment. The Initial Portfolio Assets were awarded to our Sponsor under the TBCB mechanism on a build-own-operate-maintain ("**BOOM**") basis. Under the TBCB mechanism, technically qualified developers bid for a project on a BOOM basis, which is awarded to the developer whose bid is evaluated, by the BPC, as having the lowest annual levelised transmission charges. The Initial Portfolio Assets earn revenues, i.e. availability based transmission charges, pursuant to the transmission service agreements ("**TSAs**"), from the DICs under such TSAs irrespective of the quantum of power transmitted through the transmission line. The transmission charges for power transmission projects acquired through the TBCB mechanism, including the Initial Portfolio Assets, is contracted for the period of the relevant TSAs, which is 35 years from the Scheduled COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC. Our Sponsor successfully bid for and was awarded, the Initial Portfolio Assets at quoted transmission charge rates. However, the transmission charges may be revised in case of change of law as provided under the relevant TSA. For further details in relation to the key terms of the TSA, see "*Summary of Key Agreements*" on page 160.

The transmission charges consist of fixed 'non-escalable' transmission charges and in case of PVTL, fixed 'non-escalable' transmission charges and 'variable escalable' transmission charges.

Non-escalable transmission charges are fixed charges, detailed in the TSA and in the CERC order for adoption of transmission charges and paid to us as part of the transmission charges. These charges are billed on a monthly basis by the CTU to the LTTCs. For further details in relation to the non-escalable transmission charges, see "*Our Business – Transmission Charges*" on page 142.

Escalable transmission charges, which are only applicable for PVTL, are variable charges which are indicated in the PVTL TSA and the CERC order for adopting of transmission charges for PVTL for the first year of scheduled operations, and vary in subsequent years according to CERC's escalation index, which is notified by CERC semi-annually. The CERC's escalation index is calculated by applying the per annum inflation rate specified by the CERC for payment of escalable transmission charges, as per the provisions of the Competitive Bidding Guidelines. Any change in the inflation rate in India, which will result in a change in the inflation rate specified by the CERC, will impact the escalable charges paid to us and our revenue from operations. For further details in relation to the escalable transmission charges, see "*Our Business –Transmission Charges*" on page 148.

In accordance with the CERC Sharing Regulations, a transmission licensee is entitled to recover its transmission charges from ISTS charges collected by the CTU. If there is any failure or delay on the part of DICs to make the requisite payments to the CTU, beyond a period of 45 days from the date of presentation of bills, which affects the capability of the CTU to make corresponding payments to a transmission licensee, the transmission licensee is entitled to a delayed payment surcharge from the DICs at a rate of 1.50% per month on the unpaid amount under the CERC Sharing Regulations. The CERC Sharing Regulations and the TSA also provide for a rebate mechanism as an incentive for timely payment by the DICs. The ability of the DICs to pay the CTU on time directly impacts our cash flows.

Availability of transmission elements and projects

We operate our power transmission projects under an availability based transmission charges regime, which incentivizes transmission system operators like us to provide the highest possible system availability. System 'availability', which is defined as the time in hours during a given period for which the transmission system is capable of transmitting electricity at its rated voltage, expressed as a percentage of total hours in the period. The Tariff Regulations provide specific guidance on the calculation of availability, and take into account the elements in the transmission system (including transmission lines, transformers and substations) as well as the reason for any outages, with *force majeure* outages being excluded from the calculation. We are required to maintain a target availability as per the TSAs in order to receive 100.00% of the transmission charges which comprises of both fixed 'non-escalable' transmission charges and in case of PVTL, fixed 'non-escalable' transmission charges and 'variable escalable' transmission charges. In addition, maintaining availability of the Initial Portfolio Assets in excess of 98% gives us the right to claim incentives under the TSAs. If our availability falls below 95.00% in any contract year, we may be subject to penalties under the TSA, subject to *force majeure* events. In the event we fail to maintain our target availability of 98.00% for six consecutive months, other than due to the occurrence of *force majeure* events, the LTTCs may exercise their right of termination under the TSA.

Historically, we have maintained an average annual availability above 98.00% since the commissioning of the projects, and we have accordingly earned incentives for the Initial Portfolio Assets and have never been subject to penalties. In the nine months ended December 31, 2020 and Fiscals 2020, 2019 and 2018, our revenue from incentive payments was ₹ 326.24 million, ₹ 417.79 million, ₹ 297.56 million and ₹ 93.98 million, respectively, representing 3.29%, 3.15%, 3.05% and 2.74% of our revenues from operations, respectively. For Fiscal 2018, incentive was only received for PVTL, and for certain elements of PWTL as the remaining Initial Portfolio Assets were under construction. The availability of our power transmission projects is affected by our ability to maintain and operate them and restore them in the event they are rendered inoperable, and our ability to maintain target availability under the TSA directly impacts our revenues. For further details in relation to the incentive payments, see "*Our Business – Transmission Charges*" on page 148.

Timely commissioning of existing projects and ability to acquiring new power transmission projects

Under the terms of the TSA, our right to receive electricity transmission charges commences upon commissioning of the project or element of the project. Some of our Initial Portfolio Assets incrementally achieved commissioning for different elements during Fiscals 2018 and 2019. Revenue is recognized from the date of the successful commissioning of an element of the project. This has resulted in an annual increase in revenue from Fiscal 2018 to Fiscal 2020. Once all the elements are commissioned for a power transmission project, transmission revenue increases only through the incentives and the escalable component, in case of PVTL, on a semi-annual basis, considering non-escalable charges are fixed in accordance with the TSAs.

Our Sponsor has been awarded various transmission projects under the TBCB mechanism adopted by the Central and the State Governments and as of December 31, 2020, had the highest market share, on the basis of number of projects awarded among the ISTS projects awarded under the TBCB mechanism (Source: CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Completed Projects), December 2020; CEA Monthly Progress Report of Transmission Projects awarded Through Tariff Based Competitive Bidding (TBCB) Route (Under Construction Projects), December 2020). During the period October 6, 2008 and December 31, 2020, our Sponsor was declared as the successful bidder for 16 out of 52 ISTS projects awarded under the TBCB mechanism. In addition, our Sponsor was awarded four intra-state projects through the TBCB mechanism. Our Sponsor has recently emerged as the successful bidder in the bids for five TBCB projects, with letters of intent dated January 29, 2021, January 29, 2021, February 1, 2021, February 16, 2021 and February 16, 2021 issued to our Sponsor by the relevant bid process coordinators. As of December 31, 2020, our Sponsor operated, on a standalone basis, 1,238 transmission lines aggregating to 161,742 ckm, 248 substations (including HVDC substations and GIS substations) with 411,000 MVA of transformation capacity. Further, as of December 31, 2020, our Sponsor's total transmission assets, including its wholly owned subsidiaries, consisted of 1,277 transmission lines aggregating to 168,140 ckm, 252 substations with an aggregate transformation capacity of 420,630 MVA. In addition, our Sponsor benefits from a strong balance sheet by leveraging it to support its growth. Our Sponsor also has a diverse set of equity investors, including foreign portfolio and institutional investors, mutual funds and insurance companies, and access to a wide range of project finance and debt instruments from Indian and international markets and investors.

However, key factors which affect our ability to acquire additional commissioned transmission projects, include the limited availability of transmission projects, our ability to finance such acquisitions within the debt to equity ratio prescribed under the InvIT Regulations and our ability to compete with third parties for such acquisitions. Any future transmission project acquisitions will directly affect our revenues.

Financing requirements

We operate in a capital-intensive industry. As a result, our ability to access cost-effective financing is crucial to our business and operations. As of December 31, 2020, our outstanding borrowings (including current maturities of long term borrowings) amounted to ₹ 49,994.84 million. Our borrowings consist of unsecured loans obtained from our Sponsor.

Our Sponsor's ability to access diversified pools of capital has enabled us to raise finance on competitive terms to maximize our capital efficiency. Our ability to meet payment obligations under our outstanding debt depends on our ability to generate significant cash flows in the future, which, to some extent, is subject to general economic, financial, competitive, legislative and regulatory factors that are beyond our control.

The level of our borrowings and our ability to obtain additional borrowings on existing terms as well as any interest rate fluctuations and other borrowing costs, have had and will continue to have a material effect on our finance costs and consequently, our results of operations and financial condition. Our finance costs charged to statement of profit and loss for the financial years ended March 31, 2018, 2019 and 2020, and in the nine months ended December 31, 2020 were ₹ 1,157.83 million, ₹ 3,281.45 million, ₹ 4,290.73 million and ₹ 2,910.00 million, respectively. Rising interest rates could adversely affect our ability to secure financing on favourable terms and our cost of borrowings could, consequently, increase. We will regularly refinance our existing indebtedness to extend repayment tenors, enhance borrowing limits and reduce our overall debt service requirements.

We have been given a credit rating of Provisional [ICRA] AAA (Stable), CARE AAA (Is); Stable and Provisional CCR AAA/Stable by ICRA Limited, CARE Ratings Limited and CRISIL Ratings Limited, respectively.

Financial health of the DICs

In accordance with the CERC Sharing Regulations, transmission licensees, such as our Initial Portfolio Assets, are entitled to recover their approved transmission charges from ISTS charges collected by the CTU. The CTU collects transmission charges from the DICs, on a regular basis, and pays such transmission charges to the transmission licensees, including our Initial

Portfolio Assets. In some cases, the transmission charges are billed to and collected directly from the LTTCs by the Initial Portfolio Assets. The ability of the DICs or LTTCs, as the case may be, to make timely payments is dependent on their results of operations and cash flows, which are affected by several factors that are beyond our control, including the demand for power in India. A failure or delay on the part of the DICs to make payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Initial Portfolio Assets, thereby adversely impacting our business, results of operations, financial condition and prospects.

Our financial results and prospects are significantly affected by general economic conditions prevailing in India, and in particular by developments in the power sector. The low per capita consumption of electricity in India compared to the world average presents significant potential for sustainable growth in the demand for electric power in India. The NIP has set a vision of per capita consumption at 1,616 units by 2025 and the DNEP published by the Government in June 2016 has envisaged India's per capita annual electricity consumption to increase to 2,911 - 2,924 kWh by 2040. However, due to the ongoing COVID-19 pandemic, the GDP contraction rate in Fiscal 2021 was forecast as 7.50% by the RBI in December 2020 (Source: Monetary Policy Statement, 2020-2021) and real GDP growth for Fiscal 2022 has been projected at 10.50% (Source: Reserve Bank of India, Minutes of the Monetary Policy Committee Meeting, February 3-5, 2021). Reduction in the demand for power has had an adverse impact on the business, prospects, financial condition, results of operations and cash flows of the DICs due to the consumption decline from the high paying industrial and commercial consumers and the delays in cash collections from other consumer segments. In this regard, the MoP has issued directions to the CERC to provide relaxations to LTTCs to make payments to transmission licensees, including our Initial Portfolio Assets.

However, we believe that the stimulus announced by the GoI on May 13, 2020 will improve the financial health of the State DISCOMs. In addition, various initiatives introduced by the GoI, such as, 'Power for All', 'Deendayal Upadhyaya Gram Jyoti Yojana', 'Integrated Power Development Scheme (IPDS)' and 'Ujwal DISCOM Assurance Yojana Scheme' will improve and strengthen the demand and supply of electricity in India as well as assist the DISCOMs in improving operational and financial efficiencies. The ability of the DISCOMs to take advantage of these initiatives will have an impact on our business, results of operations, financial condition and prospects. For further details, see "*Overview of the Power Industry in India*" on page 130.

Critical Accounting Estimates and Judgements

Certain of our accounting estimates require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management basis its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

The following are what management believes to be the critical accounting estimates and related judgments used in the preparation of the Combined Financial Statements. For more information on each of these estimates and for other significant judgments, policies and assumptions, see note 3 of the section titled "*Combined Financial Statements*" on page 287.

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

We review at the end of each reporting date the useful life of plant and equipment and these are adjusted prospectively, if appropriate.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events requires best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on us and that are believed to be reasonable under the circumstances.

Estimation of uncertainties relating to the global health pandemic from COVID-19

In assessing the recoverability of trade receivables and unbilled revenue, we have considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. Our revenue is based on CERC tariff orders and falls under essential services and based on the current indicators of future economic conditions, we expect to recover the carrying amount of these assets.

Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the Combined Financial Statements are as given below. These accounting policies have been applied consistently to all periods presented in the Combined Financial Statements.

A. Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Ind AS notified under Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), the Companies Act, 1956 and the provisions of Electricity Act, 2003, InvIT Regulations and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, in each case, to the extent applicable and as amended thereafter.

ii) Basis of measurement

The Combined Financial Statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (see "– *Financial Instruments*" for accounting policy regarding financial instruments).

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Initial Portfolio Asset's functional and presentation currency and all amounts are rounded to the nearest millions and two decimals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (see "– *Critical Accounting Estimates and Judgements*" on critical accounting estimates, assumptions and judgments).

v) Current and non-current classification

The Initial Portfolio Assets presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is: (a) expected to be realized or intended to be sold or consumed in normal operating cycle; (b) held primarily for the purpose of trading; (c) expected to be realized within twelve months after the reporting period; or (d) 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: (a) it is expected to be settled in normal operating cycle; (b) it is held primarily for the purpose of trading; (c) it is due to be settled within twelve months after the reporting period; or (d) there is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The Initial Portfolio Assets recognize twelve months period as its operating cycle.

B. Property, Plant and Equipment

Initial recognition and measurement

Property, plant and equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, property, plant and equipment is carried at cost less accumulated depreciation/ amortisation and accumulated impairment losses, if any.

Property, plant and equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/ inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement. Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in TSA and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken. Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings. Spares parts whose cost is ₹ 5,00,000 and above, standby equipment and servicing equipment which meets the recognition criteria of property, plant and equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the Initial Portfolio Assets and cost of the item can be measured reliably.

The cost of replacing part of an item of property, plant and equipment is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the Initial Portfolio Assets and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the statement of profit and loss as incurred.

Derecognition

An item of property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the statement of profit and loss on the date of disposal or retirement.

C. Capital Work-In-Progress ("CWIP")

Cost of material, erection charges and other expenses incurred for the construction of property, plant and equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

D. Intangible Assets and Intangible Assets under Development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure on development shall be recognised as intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

Expenditure incurred, eligible for capitalization under the head intangible assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit and loss when the asset is derecognised.

E. Depreciation/ Amortisation

Property, Plant and Equipment

Depreciation/Amortisation on the items of property, plant and equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of TSAs entered with LTTCs.

S. No.	Particulars	Useful Life
a.	Computers & Peripherals	3 Years
b.	Servers & Network Components	5 years
c.	Buildings (RCC frame structure)	35 years
d.	Transmission line	35 years
e.	Substation Equipment	35 years

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business.

Mobile phones are charged off in the year of purchase.

Residual value is considered as 5% of the original cost for all items of property, plant & equipment in line with Companies Act, 2013 except for computers & peripherals and servers & network components for which residual value is considered as nil.

Property, plant and equipment costing ₹ 5,000 or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

Depreciation on additions to/deductions from property, plant and equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required.

Right of Use Assets

Right of use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or three years, whichever is less with 'Nil' residual value.

Afforestation charges are amortized over 35 years from the date of capitalization of related transmission assets following the straight line method, with nil residual value.

Amortisation on additions to/deductions from intangible assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for intangible assets is reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

F. Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in statement of profit and loss in the period in which they are incurred.

G. Impairment of non-financial assets

The carrying amounts of the Initial Portfolio Asset's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 "Impairment of Assets". If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "**Cash Generating Unit**" or "**CGU**").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

H. Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

I. Inventories

Inventories are valued at lower of the cost, determined on weighted average basis or net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as property, plant and equipment, including spare parts whose cost is less than ₹ 5,00,000 are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.
The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

J. Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the Initial Portfolio Assets assesses whether: (i) the contract involves use of an identified assets; (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease; and (iii) the customer has the right to direct the use of the asset.

As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

(i) Finance leases:

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the statement of profit and loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

(ii) Operating leases:

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

As a Lessee

At the date of commencement of the lease, the Initial Portfolio Assets recognise a right-of-use asset ("**ROU**") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the Initial Portfolio Assets recognize the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements include the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The ROU assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The Initial Portfolio Assets applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy on "Impairment of non-financial assets".

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the statement of profit and loss, unless eligible for capitalization as per accounting policy on "Borrowing costs".

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

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

Financial assets of the Initial Portfolio Assets comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The Initial Portfolio Assets classify its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:
- the entity's business model for managing the financial assets, and
- the contractual cash flow characteristics of the financial asset

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, if any, that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt Instruments at amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt Instruments at fair value through other comprehensive income ("**FVOCI**"): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI.

De-recognition of financial assets

A financial asset is derecognized only when:

- The right to receive cash flows from the assets have expired, or
- The Initial Portfolio Assets have transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of profit and loss.

Impairment of financial assets:

For trade receivables, the Initial Portfolio Assets applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the Initial Portfolio Assets determine whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

Financial Liabilities

Financial liabilities of the Initial Portfolio Assets are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Initial Portfolio Assets.

The Initial Portfolio Asset's financial liabilities include loans and borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. 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 effective interest rate ("**EIR**"). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the statement of profit and loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in statement of profit or loss when the liabilities are derecognized.

The EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing 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 between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in statement of profit and loss as other income or finance cost.

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. Foreign Currency Translation

Functional and presentation currency

Items included in the financial statements of the Initial Portfolio Assets are measured using the currency of the primary economic environment in which the Initial Portfolio Assets operate ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the Initial Portfolio Asset's functional and presentation currency.

Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the balance sheet. Non-monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognized in the financial statements, whichever is earlier. In case the transaction is recognized in stages, then transaction date is established for each stage. Exchange differences arising from foreign currency translation are recognized in the statement of profit and loss.

M. Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the Initial Portfolio Assets operate and generate taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the Initial Portfolio Asset's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the balance sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the balance sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

N. Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Initial Portfolio Assets recognizes revenue when it transfers control over a product or service to a customer.

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC under Section 63 of Electricity Act, 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. unbilled revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective regional power committees and in accordance with the TSA entered between the transmission service provider and long-term transmission customers. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the Initial Portfolio Assets and differences, if any, is accounted on certification by RPCs.

Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method ("**EIR**").

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap and conductor scrap are accounted for as and when sold.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

O. Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

P. Provisions and Contingencies

Provisions

Provisions are recognised when the Initial Portfolio Assets have 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. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the statement of profit and loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate.

Contingencies

Contingent liabilities are disclosed on the basis of judgment of the management/ independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Initial Portfolio Assets or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements.

Contingent assets are not recognised.

Q. Share capital and Other Equity

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @ 0.12% p.a. on gross block of property, plant and equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from uninsured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The reserve created as above is shown as “Self-Insurance Reserve” under “Other Equity”.

R. Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

S. Earnings per Unit

Basic earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and weighted average number of units outstanding during the year.

Diluted earnings per unit is computed using the net profit or loss for the year attributable to the unitholders and weighted average number of equity and potential units outstanding during the year, except where the result would be anti-dilutive.

T. Statement of Cash Flows

Statement of Cash Flows is prepared as per indirect method prescribed in the Ind AS 7 "Statement of Cash Flows".

Principal components of Income and Expenses

Income

Revenue from operations

We generate all our revenue from operations pursuant to electricity transmission charges, which we accounted for as a sale of services. Revenue from operations includes transmission charges and incentive for higher availability and is net of rebate offered to the customers for timely payment. See note 45 of the Combined Financial Statements in relation to the impact of application of Ind AS 115 "Revenue from Contracts with Customers".

Other income

Other income comprises primarily income from surcharge, interest income from financial assets at amortized cost and interest from advances to contractors.

Expenses

In Fiscal 2019, all elements of PPTL and PJTL and the remaining elements of PWTL were commissioned, and accordingly, their operational results are reflected from the date of their respective commercial operations to March 31, 2019. While, in Fiscal 2020 and the nine months ended December 31, 2020, all Initial Portfolio Assets were operational and revenue generating for the entire 12-month period and the six-month period, respectively. Further, in Fiscal 2018, only PVTL, PKATL and PWTL were operational and revenue generating. Further, during Fiscal 2018, PKATL and certain elements of PWTL became operational and revenue generating resulting in their operating activities being reflected from their respective CODs until March 31, 2018 and not for the full 12-month period in Fiscal 2018. However, during Fiscal 2019, all elements of PPTL and PJTL and the remaining elements of PWTL became operational and revenue generating, and accordingly, their operational results are reflected from the date of their respective actual CODs (i.e. June 2018 and January 2019, respectively) to March 31, 2019. Accordingly, all expenses pertaining to each Initial Portfolio Asset and its elements are charged to profit and loss, including finance cost, depreciation and amortization expense, and other expenses.

Our primary expenses are set forth below:

Finance costs – Our finance cost comprise our largest expense. Our finance costs reflect interest and finance charges of financial liabilities at amortized costs which include interest on loans from our Sponsor, interest on the secured/ unsecured redeemable bonds, and other finance charges.

Depreciation and amortization expense – Our depreciation expense primarily comprise depreciation of property, plant and equipment which includes buildings, plant and equipment for substations, transmission lines, data processing equipment, furniture and fittings and office equipment. In addition, our amortization expense includes amortization of intangible assets on account of right of way and software.

Other expense – Our other expense primarily comprise of repair and maintenance of transmission lines and sub-stations, system and market operation charges, legal expenses, professional charges, audit fees, CERC petition fees, consultancy expenses, power charges, and other miscellaneous expenses.

Results of Operations

Particulars	Fiscal Year							
	Nine months ended December 31, 2020		March 31, 2020		March 31, 2019		March 31, 2018	
	Rupees in millions	Percentage of total income (%)	Rupees in millions	Percentage of total income (%)	Rupees in millions	Percentage of total income (%)	Rupees in millions	Percentage of total income (%)
Revenue from operations*	9,922.84	98.34	13,242.87	99.26	9,771.56	99.29	3,435.69	99.41
Other income	167.97	1.66	98.07	0.74	69.64	0.71	20.30	0.59
Total income	**10,090.81**	**100.00**	**13,340.94**	**100.00**	**9,841.20**	**100.00**	**3,455.99**	**100.00**
EXPENSES								
Finance costs	2,910.00	28.84	4,290.73	32.16	3,281.45	33.34	1,157.83	33.50
Depreciation and amortization expense**	1,392.36	13.80	3,794.33	28.44	2,749.63	27.94	932.16	26.97
Other expenses	311.92	3.09	381.64	2.86	329.76	3.35	80.75	2.34
Total expenses	**4,614.28**	**45.73**	**8,466.70**	**63.46**	**6,360.84**	**64.63**	**2,170.74**	**62.81**
Profit before tax	**5,476.53**	**54.27**	**4,874.24**	**36.54**	**3,480.36**	**35.37**	**1,285.25**	**37.19**
Tax expense								
Current tax - Current year	276.14	2.74	851.78	6.38	753.96	7.66	274.29	7.94
- Earlier years	(561.20)	(5.56)	-		-		0.11	0.00
- Deferred tax	2,390.17	23.69	234.21	1.76	245.77	2.50	(130.49)	(3.78)
	2,105.11	20.86	1,085.99	8.14	999.73	10.16	143.91	4.16
Profit for the period	**3,371.42**	**33.41**	**3,788.25**	**28.40**	**2,480.63**	**25.21**	**1,141.34**	**33.02**
Other comprehensive income								
Total comprehensive income for the period	**3,371.42**	**33.41**	**3,788.25**	**28.40**	**2,480.63**	**25.21**	**1,141.34**	**33.02**

** Includes unbilled transmission charges for the month of December 2020 amounting to ₹ 1,164.08 million (for the month of March 2020: ₹ 992.58 million, March 2019: ₹ 1,075.66 million and March 2018: ₹ 297.34 million) billed to beneficiaries in the subsequent month. For further details, please refer to note 45 of the Combined Financial Statements for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.*

*** The Initial Portfolio Assets were charging depreciation following the rates and methodology notified by the CERC Tariff Regulations. During the year, a review of the useful life, residual value and methodology of depreciation of property, plant and equipment (PP&E) and intangible assets is performed through technical evaluation and based on the pattern of consumption, depreciation is charged based on revised useful lives on straight line basis prospectively. This has resulted in decrease in depreciation for the period ended December 31,2020 by an amount of ₹ 1,473.47 million with corresponding increase in profit before tax and net block of property, plant and equipment.*

Nine months ended December 31, 2020

All Initial Portfolio Assets were fully operational and revenue generating during the nine months ended December 31, 2020.

Income

We had a total income of ₹ 10,090.81 million in the nine months ended December 31, 2020, 98.34% of which comprised of revenue from operations of ₹ 9,922.84 million.

- *Revenue from operations* – Our revenue from operations in the nine months ended December 31, 2020, was ₹ 9,922.84 million, which comprised of transmission charges, incentive for availability and is net of rebate.

- *Other income* – Our other income in the nine months ended December 31, 2020, was ₹ 167.97 million, which is principally attributable to a surcharge from DICs amounting to ₹ 157.34 million and interest income from financial assets at amortized costs from Indian banks amounting to ₹ 7.32 million.

Expenses

Our total expenses were ₹ 4,614.28 million in the nine months ended December 31, 2020, which included finance cost, depreciation and amortization expense and other expenses.

- *Finance costs* – Our finance cost was ₹ 2,910.00 million in the nine months ended December 31, 2020, which is principally attributable to the interest on loan from our Sponsor of ₹ 2,860.17 million and interest on the secured redeemable bonds of ₹ 49.36 million.

- *Depreciation and amortization expense* – Depreciation and amortisation was ₹ 1,392.36 million in the nine months ended December 31, 2020, which is attributable to depreciation of property, plant and equipment and amortisation of intangible assets.

- *Other expenses* – Our other expenses totaled ₹ 311.92 million in the nine months ended December 31, 2020, which is principally attributable to expenses in relation to repair and maintenance of transmission lines of ₹ 170.37 million and substation of ₹ 57.96 million, and CERC petition and other charges of ₹ 14.37 million.

Profit before tax

Our profit before tax was ₹ 5,476.53 million in the nine months ended December 31, 2020. As a percentage of total income, our profit before tax was 54.27% in the nine months ended December 31, 2020.

Tax expense

- *Current tax* – Current tax expenses of ₹ 276.14 million were recognized in the statement of profit and loss for the nine months ended December 31, 2020.

- *Earlier year* – A credit of ₹ 561.20 million was recognized in the statement of profit and loss for the nine months ended December 31, 2020 against earlier year tax expenses due to the beneficial change in applicable tax rates availed by certain Initial Portfolio Assets.

- *Deferred tax* – Deferred tax expenses of ₹ 2,390.17 million were recognized in the statement of profit and loss for the nine months ended December 31, 2020, which was primarily due to the beneficial change in applicable tax rates availed by all Initial Portfolio Assets.

Profit for the period

As a result of the factors outlined above, our profit for the nine months ended December 31, 2020, was ₹ 3,371.42 million.

Total comprehensive income for the year

Total comprehensive income for the year (comprising profit and other comprehensive income) was ₹ 3,371.42 million in the nine months ended December 31, 2020.

Fiscal 2020 compared to Fiscal 2019

In Fiscal 2019, all elements of PPTL and PJTL and the remaining elements of PWTL were commissioned, and accordingly, their operational results are reflected from the date of their respective commercial operations until March 31, 2019 and not for the full 12-month period in Fiscal 2019. Accordingly, the financial information for Fiscal 2019 in the Combined Financial Statements is not comparable with the financial statements for Fiscal 2020, which reflects the operating activities of all Initial Portfolio Assets for the full 12-month period in Fiscal 2020.

Income

We had a total income of ₹ 13,340.94 million in Fiscal 2020, an increase of 35.56% from our total income of ₹ 9,841.20 million in Fiscal 2019. This increase in total income was primarily due to a 35.52% increase in revenue from operations in Fiscal 2020 from Fiscal 2019.

- *Revenue from operations* – Our revenue from operations increased by 35.52% during Fiscal 2020, from ₹ 9,771.56 million in Fiscal 2019 to ₹ 13,242.87 million in Fiscal 2020. This increase in revenue from operations is principally attributable to commissioning of all elements of each of the Initial Portfolio Assets and an increase in incentive income by ₹ 120.23 million.

- *Other income* – Our other income increased by 40.82% from ₹69.64 million in Fiscal 2019 to ₹ 98.07 million in Fiscal 2020, principally arising from a 55.00% increase in income from surcharge during Fiscal 2020, from ₹ 61.14 million in Fiscal 2019 to ₹ 94.77 million in Fiscal 2020 on account of commissioning of all elements of each of the Initial Portfolio Assets resulting in an increase in overall dues.

Expenses

Our total expenses were ₹ 8,466.70 million in Fiscal 2020, a 33.11% increase over our total expenses of ₹ 6,360.84 million in Fiscal 2019. This increase in total expenses was primarily due to full year impact of all elements of the Initial Portfolio Assets during Fiscal 2020, resulting in increased finance costs, depreciation and amortization expense and other expenses.

- *Finance cost* – Our finance cost increased by 30.76% from ₹ 3,281.45 million in Fiscal 2019 to ₹ 4,290.73 million in Fiscal 2020. This is principally attributable to the deduction from finance costs due to transfer to expenditure during construction of certain Initial Portfolio Assets of ₹ 1,173.64 million during Fiscal 2019, whereas the Initial Portfolio Assets were fully operational during Fiscal 2020 and no such deduction was made during this period.

- *Depreciation and amortisation expense* – Depreciation and amortisation amounted to ₹ 3,794.33 million in Fiscal 2020, a 37.99% increase over depreciation and amortisation of ₹ 2,749.63 million in Fiscal 2019, which was principally attributable to an increase in gross block of assets arising from full year impact of all elements of the Initial Portfolio Assets during Fiscal 2020.

- *Other expenses* – Our other expenses increased by 15.73%, from ₹329.76 million in Fiscal 2019 to ₹ 381.64 million in Fiscal 2020. This was principally attributable to increased expenses in relation to repair and maintenance of sub-stations and transmission lines of ₹ 131.84 million.

Profit before tax

Our profit before tax increased by 40.05% from ₹ 3,480.36 million in Fiscal 2019 to ₹ 4,874.24 million in Fiscal 2020. As a percentage of total income, our profit before tax increased from 35.37% in Fiscal 2019 to 36.54% in Fiscal 2020.

Tax expense

- *Current tax* – Current tax – current year expenses recognized in the statement of profit and loss increased by 12.97% from ₹ 753.96 million in Fiscal 2019 to ₹ 851.78 million in Fiscal 2020.

- *Deferred tax* – Deferred tax expenses recognized in the statement of profit and loss decreased by 4.70% from ₹ 245.77 million in Fiscal 2019 to ₹ 234.21 million in Fiscal 2020.

Profit for the period

As a result of the factors outlined above, our profit for Fiscal 2020 increased by 52.71% from ₹ 2,480.63 million in Fiscal 2019 to ₹ 3,788.25 million in Fiscal 2020.

Total comprehensive income for the year

Total comprehensive income for the year (comprising profit and other comprehensive income) was ₹ 3,788.25 million in Fiscal 2020 compared to ₹ 2,480.63 million in Fiscal 2019.

Fiscal 2019 compared to Fiscal 2018

In Fiscal 2018, only PVTL, PKATL and PWTL were operational and revenue generating. Further, during Fiscal 2018, PKATL and certain elements of PWTL became operational and revenue generating resulting in their operating activities being reflected from their respective CODs until March 31, 2018 and not for the full 12-month period in Fiscal 2018. However, during Fiscal 2019, all elements of PPTL and PJTL and the remaining elements of PWTL became operational and revenue generating, and accordingly, their operational results are reflected from the date of their respective revised scheduled CODs (i.e. June 2018 and January 2019, respectively) to March 31, 2019.

Income

We had a total income of ₹ 9,841.20 million in Fiscal 2019, an increase from our total income of ₹3,455.99 million in Fiscal 2018. This increase in total income was primarily due to increase in revenue from operations in Fiscal 2019 from Fiscal 2018.

- *Revenue from operations* – Our revenue from operations increased by 184.41% during Fiscal 2019, from ₹3,435.69 million in Fiscal 2018 to ₹ 9,771.56 million in Fiscal 2019. This increase in revenue from operations is principally attributable to commissioning of the remaining elements of PWTL (comprising route length of 823.64 ckm of the total route length of 1,028.11 ckm and establishment of 765/400 kV new pooling station, during Fiscal 2019) and all elements of PPTL (comprising route length of 966.12 ckm and establishment of 765/400 kV new sub-station, during Fiscal 2019) and PJTL (comprising route length of 745.05 ckm, during Fiscal 2019). Only certain elements of PWTL were operational for Fiscal 2018 (comprising route length of 204.47 ckm of the total route length of 1,028.11 ckm). Further, PPTL and PJTL were not operational and did not generate any income from transmission charges in Fiscal 2018.

- *Other income* – Our other income increased from ₹20.30 million in Fiscal 2018 to ₹69.64 million in Fiscal 2019, principally arising from increase in income from surcharge during Fiscal 2019, from ₹ 9.96 million in Fiscal 2018 to ₹ 61.14 million in Fiscal 2019 which was partially offset by a decrease in miscellaneous income during Fiscal 2019, from ₹ 10.34 million in Fiscal 2018 to ₹ 2.24 million in Fiscal 2019.

Expenses

Our total expenses increased by 193.03%, aggregating ₹ 6,360.84 million in Fiscal 2019, an increase over our total expenses of ₹ 2,170.74 million in Fiscal 2018. This increase in total expenses was primarily due to commissioning of the remaining elements of PWTL and all elements of PPTL and PJTL during Fiscal 2019, resulting in increased finance costs, depreciation and amortization expense and other expenses.

- *Finance cost* – Our finance cost increased by 183.41% from ₹ 1,157.83 million in Fiscal 2018 to ₹ 3,281.45 million in Fiscal 2019. This is principally attributable to increased interest due to commissioning of certain elements of PWTL and all elements of PPTL and PJTL during Fiscal 2019.

- *Depreciation and amortisation expense* – Depreciation and amortisation increased by 194.97% and totalled ₹ 2,749.63 million in Fiscal 2019, an increase over depreciation and amortisation of ₹ 932.16 million in Fiscal 2018, which was principally attributable to an increase in our gross block of assets from ₹ 19,134.30 million to ₹ 71,131.55 million owing to the commissioning of the remaining elements of PWTL and all elements of PPTL and PJTL during Fiscal 2019. Only certain elements of PWTL were operational during Fiscal 2018.

- *Other expenses* – Our other expenses increased by 308.37% from ₹80.75 million in Fiscal 2018 to ₹329.76 million in Fiscal 2019. This was principally attributable to increased expenses for repair and maintenance of sub-stations, transmission s others from ₹ 44.33 million in Fiscal 2018 to ₹ 185.19 million in Fiscal 2019, legal expenses (net of EDC), from ₹ 0.06 million in Fiscal 2018 to ₹ 23.35 million in Fiscal 2019 and consultancy expenses (net of EDC) from ₹ 16.40 million in Fiscal 2018 to ₹ 66.93 million in Fiscal 2019 due to the commissioning of the remaining elements of PWTL and all elements of PPTL and PJTL during Fiscal 2019. Provisions increased from ₹ nil in Fiscal 2018 to ₹ 18.45 million in Fiscal 2019. CSR expenses increased from ₹ nil in Fiscal 2018 to ₹ 7.09 million in Fiscal 2019.

Profit before tax

Our profit before tax increased by 170.79% from ₹ 1,285.25 million in Fiscal 2018 to ₹ 3,480.36 million in Fiscal 2019. As a percentage of total income, our profit before tax decreased from 37.19% in Fiscal 2018 to 35.36% in Fiscal 2019.

Tax expense

- *Current tax* – Current tax expenses recognized in the statement of profit and loss increased from ₹ 274.40 million in Fiscal 2018 to ₹ 753.96 million in Fiscal 2019 due to increase in profit due to commissioning of the remaining elements of PWTL, and all elements of PPTL and PJTL.

- *Deferred tax* – Deferred tax expenses recognized in the statement of profit and loss increased from a credit of ₹ 130.49 million in Fiscal 2018 to ₹ 245.77 million in Fiscal 2019.

Profit for the period

As a result of the factors outlined above, our profit for Fiscal 2019 increased from ₹ 1,141.34 million in Fiscal 2018 to ₹ 2,480.63 million in Fiscal 2019.

Total comprehensive income for the year

Total comprehensive income for the year (comprising profit and other comprehensive income) was ₹ 2,480.63 million in Fiscal 2019 compared to ₹ 1,141.34 million in Fiscal 2018.

Liquidity and Capital Resources

Our principal fund requirements are interest costs and the repayment of borrowings.

Over the past three years, we have been able to finance our capital requirements through cash generated from our operations and loans from our Sponsor and the secured (taxable, redeemable, non-cumulative, non-convertible) bonds. As of December 31, 2020, we had ₹ 540.73 million of cash and cash equivalents, ₹ 1,881.07 million in current trade receivables, ₹ 1,404.82 million in other current financial assets and had ₹ 295.69 million in other current assets. In addition, as of December 31, 2020, we had ₹ 310.18 million of inventory.

We believe that, after taking into account repayment of debt from the proceeds of the Offer and the expected cash to be generated from our operations, we will have sufficient liquidity for our present requirements and anticipated requirements for interest costs and the repayment of borrowings for at least 12 months following the date of this Draft Offer Document.

The following table sets forth information on our cash and cash equivalents as at the dates indicated:

	As of (in ₹ million)			
	March 31, 2018	March 31, 2019	March 31, 2020	December 31, 2020
Cash and cash equivalents	170.18	27.38	399.28	540.73

Cash Flows

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal 2018	Fiscal 2019	Fiscal 2020	For the nine months ended December 31, 2020
	(in ₹ million)			
Net cash generated by/ (used in) operating activities	3,731.82	3,424.97	10,521.47	9,005.41
Net cash used in investing activities	(32,739.43)	(6,428.12)	(1,072.48)	(144.78)
Net cash generated by/ (used in) financing activities	29,141.09	2,860.35	(9,077.09)	(8,719.18)

Net Cash Generated from/ (used in) Operating Activities

Net cash from operating activities was ₹ 9,005.41 million in the nine months ended December 31, 2020 after adjusting the direct tax paid of ₹ 235.94 million. Profit before tax amounted to ₹ 5,476.53 million and adjustments primarily included finance costs of ₹ 2,910.00 million and depreciation and amortization expenses of ₹ 1,392.36 million, resulting in an operating profit before changes in assets and liabilities of ₹ 9,773.01 million. The adjustments of changes in assets and liabilities primarily consisted of increase in other current assets of ₹ 261.85 million, increase in other current financial assets of ₹ 145.61 million, increase in trade receivables of ₹ 143.85 million and decrease in other current financial liabilities of ₹ 74.12 million.

Net cash from operating activities was ₹ 10,521.47 million in Fiscal 2020 after adjusting the direct tax paid of ₹ 868.80 million. Profit before tax amounted to ₹ 4,874.24 million and adjustments primarily included finance costs of ₹ 4,290.73 million and depreciation and amortization expenses of ₹ 3,794.33 million, resulting in an operating profit before changes in assets and liabilities of ₹ 12,958.25 million. The adjustments of changes in assets and liabilities primarily consisted of increase in trade receivables of ₹ 466.90 million, increase in other current assets of ₹ 224.75 million, and decrease in other current financial liabilities of ₹ 928.37 million, which were partially offset by a decrease in other current financial assets of ₹ 129.35 million.

Net cash from operating activities was ₹ 3,424.97 million in Fiscal 2019 after adjusting the direct tax paid of ₹ 738.36 million. Profit before tax amounted to ₹ 3,480.36 million and adjustments primarily included finance costs of ₹ 3,281.45 million and depreciation and amortization expenses of ₹ 2,749.63 million, resulting in an operating profit before changes in assets and liabilities of ₹ 9,511.44 million. The adjustments of changes in assets and liabilities primarily consisted of increase in trade receivables of ₹ 655.41 million, increase in other current assets of ₹ 513.20 million, increase in other current financial assets of ₹ 470.88 million and decrease in other current financial liabilities of ₹ 3,429.80 million.

Net cash from operating activities was ₹ 3,731.82 million in Fiscal 2018 after adjusting the direct tax paid of ₹ 266.06 million. Profit before tax amounted to ₹ 1,285.25 million and adjustments primarily included finance costs of ₹ 1,157.83 million and depreciation and amortization expenses of ₹ 932.16 million, resulting in an operating profit before changes in assets and liabilities of ₹ 3,375.24 million. The adjustments of changes in assets and liabilities primarily consisted of increase in other current financial liabilities of ₹ 2,354.83 million, which was partially offset by an increase in other current assets of ₹ 340.48 million, increase in other current financial assets of ₹ 310.82 million and decrease in other current liabilities of ₹ 738.38 million.

Net Cash used in Investing Activities

Net cash used in investing activities was ₹ 144.78 million in the nine months ended December 31, 2020, primarily due to purchase of property, plant and equipment and capital work in progress.

Net cash used in investing activities was ₹ 1,072.48 million in Fiscal 2020, primarily due to purchase of property, plant and equipment and capital work in progress including advances for capital expenditure.

Net cash used in investing activities was ₹ 6,428.12 million in Fiscal 2019, primarily due to purchase of property, plant and equipment and capital work in progress including advances for capital expenditure.

Net cash used in investing activities was ₹ 32,739.43 million in Fiscal 2018, primarily due to purchase of property, plant and equipment and capital work in progress including advances for capital expenditure.

Net Cash Generated from/ (used in) Financing Activities

Net cash used in financing activities was ₹ 8,719.18 million in the nine months ended December 31, 2020, primarily due to repayment of borrowings of ₹ 5,116.14 million, payment of dividend of ₹ 3,950.71 million and payment of finance costs of ₹ 3,118.73 million, which was partially offset by proceeds from borrowings of ₹ 3,342.80 million.

Net cash used in financing activities was ₹ 9,077.09 million in Fiscal 2020, primarily due to repayment of borrowings of ₹ 4,124.45 million, payment of finance costs of ₹ 4,442.47 million and payment of dividend of ₹ 2,201.62 million, which was partially offset by equity share capital raised during the year of ₹ 2,020.00 million.

Net cash from financing activities was ₹ 2,860.35 million in Fiscal 2019, primarily due to proceeds from borrowings of ₹ 4,741.93 million and equity share capital raised of ₹ 5,564 million during Fiscal 2019, which was partially offset by repayment of borrowings of ₹ 2,440.61 million, payment of finance costs of ₹ 4,008.35 million and payment of dividend of ₹ 826.69 million.

Net cash from financing activities was ₹ 29,141.09 million in Fiscal 2018, primarily due to proceeds from borrowings of ₹ 28,473.32 million and equity share capital raised of ₹ 2,061.50 million during Fiscal 2018, which was partially offset by payment of finance costs of ₹ 737.16 million, repayment of borrowings of ₹ 404.14 million and payment of dividend of ₹ 209.73 million.

Contingent Liabilities

As of December 31, 2020, our contingent liabilities primarily comprised other contingent liabilities relating to arbitration and right of way amounting to ₹ 114.37 million and disputed entry tax matters amounting to ₹ 100.30 million. See note 40 of the Combined Financial Statements in relation to "Contingent Liabilities and Contingent Assets".

Capital and other Commitments

As of December 31, 2020, the estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) is ₹ 200.89 million.

Borrowings

The following table sets forth certain information relating to our outstanding borrowings as of the periods indicated:

Borrowings (in ₹ million)				
	As of March 31,			As of December 31,
Description	**2018**	**2019**	**2020**	**2020**
Secured Borrowing				
Taxable, redeemable, non-cumulative, non-convertible bonds	2,900.00	2,900.00	-	-
Current maturities of long term borrowings	-	-	2,900.00	-
Unsecured Borrowing				
Loans from Sponsor	49,467.31	50,468.63	44,293.16	47,507.34
Current maturities of long term borrowings	1,100.00	2,400.00	4,575.02	2,487.50
Total borrowings	**53,467.31**	**55,768.63**	**51,768.18**	**49,994.84**

Unsecured loans from our Sponsor have been classified as "Non-Current" according to its tenure and restriction of repayment.

Our total debt to equity ratio was 3.36 times as of December 31, 2020.

Historical and planned capital expenditure

Except for the project allocated by the Government to PKATL under the RTM, which is to be taken up for implementation, we do not anticipate any major capital expenditures for the Initial Portfolio Assets.

As of March 31, 2018, our total capital work in progress including intangibles under development was ₹ 45,479.83 million, which decreased by 99.81% to ₹ 86.57 million as at March 31, 2019. All of our capital expenditure in Fiscal 2019 was incurred in connection with the commissioning of the remaining elements of PWTL and all elements of PPTL and PJTL during the Fiscal. As of March 31, 2020, we had no capital work in progress, while as of December 31, 2020, our total capital work in progress was ₹ 22.38 million.

The following table sets forth our non-current assets for the periods indicated:

Particulars	Fiscal 2018	Fiscal 2019	Fiscal 2020	Nine months ended December 31, 2020
	(₹ million)			
Property, plant and equipment	17,786.63	66,153.31	63,218.87	61,993.50
Other intangible assets	4.01	884.90	1,155.20	1,116.68
Capital work in progress	45,292.66	86.57	-	22.38
Intangible assets under development	187.17	-	-	-
Deferred tax assets (net)	192.88	-	-	-
Other non-current assets	411.55	54.72	41.24	619.94
Total	**63,874.90**	**67,179.50**	**64,415.31**	**63,752.50**

Off-Balance Sheet Commitments and Arrangements

We do not have any off-balance sheet arrangements, derivative instruments, swap transactions or relationships with affiliates or other unconsolidated entities or financial partnerships that would have been established for the purpose of facilitating off-balance sheet arrangements.

Trade Receivables

The following table sets forth certain information relating to our trade receivables as on the dates indicated:

Ageing	Not Due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
	(in ₹ million)						
Gross carrying amount as on December 31, 2020	-	753.44	366.79	233.69	185.96	357.31	1,897.19
Gross carrying amount as on March 31, 2020	-	753.48	321.46	183.97	106.64	390.09	1,755.64
Gross carrying amount as on March 31, 2019	-	469.91	388.41	206.90	28.24	114.24	1,207.70
Gross carrying amount as on March 31, 2018	9.85	336.87	63.17	16.94	19.83	60.06	506.72

Sufficiency of Working Capital

The Investment Manager has confirmed that the Trust has the ability to meets its working capital requirements for at least 12 months from the date of listing of the Units.

Related Party Transactions

We have in the past engaged, and in the future may engage, in related party transactions. For a description of our related party transactions, see the section entitled "*Related Party Transactions*" on page 197.

Changes in Accounting Policies

There have been no changes in our accounting policies during Fiscals 2018, 2019 and 2020, and the nine months ended December 31, 2020, except for the changes as necessitated by applicable laws.

Auditor Observations and Matters of Emphasis

Other than as disclosed below, there are no reservations, qualifications, adverse remarks or emphasis of matter highlighted by the Statutory Auditors in their report on the Combined Financial Statements:

- The Statutory Auditors have drawn attention to note 3 to the Combined Financial Statements, which describes the uncertainties and the impact of Covid-19 on carrying value of trade receivables, unbilled revenue and investments as assessed by the management. The Statutory Auditors have stated that actual results may differ from such estimates depending on future developments. The Statutory Auditors have stated that their opinion is not modified in respect of this matter.

Other than as disclosed below, there are no reservations, qualifications, adverse remarks or emphasis of matter highlighted by the auditors of the Initial Portfolio Assets in their respective audit reports on the audited financial statements of the Initial Portfolio Assets for the last three fiscal years:

- In the audited financial statements of PJTL for Fiscal 2020, the auditors of PJTL have drawn attention to note 3 of the financial statements, which describes the uncertainties and the impact of Covid-19 on carrying value of trade receivables, unbilled revenue and investments as assessed by the management. The auditors have stated that actual results may differ from such estimates depending on future developments. The auditors have stated that their opinion is not modified in respect of this matter.

Quantitative and Qualitative Disclosures about Market Risks

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:

Currency risk

The Initial Portfolio Assets do not have any exposure to currency risk in respect of foreign currency denominated loans and borrowings and procurement of goods and services whose purchase consideration is foreign currency.

Interest rate risk

The Initial Portfolio Assets are exposed to interest rate risk due to the cash flows associated with floating rate borrowings. The various sources of loans being extended to the Initial Portfolio Assets by the Sponsor are fixed interest and floating interest rate which get reset periodically. The Initial Portfolio Assets manage the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Initial Portfolio Assets are exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within three years of when they fall due. This definition of default is determined considering the business environment in which the Initial Portfolio Assets operate and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the Initial Portfolio Assets. Where loans or receivables have been written off, the Initial Portfolio Assets continue to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

Liquidity risk

Liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The Initial Portfolio Assets monitor its risk of a shortage of funds using a liquidity planning tool. The Initial Portfolio Assets have access to a variety of sources of funding such as commercial paper, bank loans, bonds and external commercial borrowings and retains flexibility in funding by maintaining availability under committed credit lines.

Management monitors rolling forecasts of each Initial Portfolio Asset's liquidity position comprising the undrawn borrowing facilities below and cash and cash equivalents on the basis of expected cash flows.

We depend on both internal and external sources of liquidity to provide working capital and to fund capital expenditure.

Inflation

Inflation may have a material impact on our business, results of operations and cash flows. Only a relatively small proportion of our transmission charges for PVTL comprises of an escalable component which varies with inflation, a majority of the transmission charges are on a fixed non-escalable rate.

Seasonality

Our financial results are not affected by seasonality.

Unusual or Infrequent Events or Transactions

Except as described in this Final Offer Document, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Total Turnover of each Major Industry Segment in which we operate

We have one primary business segment, namely power transmission network for transmission system. For further information, see "*Overview of the Power Industry in India*" and "*Combined Financial Statements*" on pages 130 and 287, respectively.

Known Trends or Uncertainties

Other than as described in the sections "*Risk Factors*" and this "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows*" on pages 50 and 169, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Significant Economic Changes that Materially Affect or are likely to affect Income from Continuing Operations

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in "*– Factors Affecting the Trust's Results of Operations*" and the uncertainties described in the section "*Risk Factors*" on pages 170 and 50, respectively.

Future Relationships between Expenditure and Income

Other than as described in the sections "Risk Factors" on page 50 and "*Management's Discussion and Analysis of Factors by the Directors of the Investment Manager affecting the Financial Condition, Results of Operations and Cash Flows*" on page 169, to our knowledge there are no known factors which will have a material adverse impact on our operations or finances.

New Services or Business

Other than as described in the section "*Our Business*" on page 138, there are no new services or business in which we operate.

Competitive Conditions

We expect competitive conditions in our industry to intensify further as new entrants emerge and as existing competitors seek to emulate our InvIT business model and offer similar services and investment opportunities. For further details, please refer to the sections "*Risk Factors*" and "*Our Business*" beginning on pages 50 and 138, respectively.

Significant Developments after December 31, 2020 that may affect our future results of operations

To our knowledge, except as otherwise disclosed in this Final Offer Document, there is no subsequent development after December 31, 2020, which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

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 or prediction with respect to the accuracy of the underlying assumptions by the Trust, the Parties to the Trust, the Selling Unitholder, the Lead Managers 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 Final Offer Document. See the section entitled "Forward-Looking Statements" on page 16. For details on the risks relating to distribution, please see the section entitled "Risk Factors" on page 50.

The net distributable cash flows of the Trust (the "**Distributable Income**") shall be based on the cash flows generated by it and from the underlying operations undertaken by the InvIT Assets and any holding companies (such holding companies, together, the "**Holding Companies**"). For details of the business and operations of the InvIT Assets, please see "*Our Business*" on page 138.

Distributions may be made from the monies received by the Trust, in accordance with the provisions of the InvIT documents and applicable law.

In terms of the InvIT Regulations, the InvIT Assets shall distribute not less than 90% of each of their net distributable cash flows to the Trust or a holding company, as applicable, in the proportion of its holding in the InvIT Asset, subject to the applicable provisions of the Companies Act, 2013 or Limited Liability Partnership Act, 2008, as amended.

Further, with regard to distribution of net distributable cash flows by the Holding Companies to the Trust, 100% of cash flows received by the Holding Companies from underlying SPVs shall be distributed to the Trust and with respect to the cash flows generated by a Holding Company on its own, not less than 90% of such net distributable cash flows shall be distributed by the Holding Company to the Trust.

In the event any infrastructure asset is sold by the Trust or any Portfolio Asset, or if the equity shares or interest in any Portfolio Asset is sold by the Trust, then in accordance with the InvIT Regulations:

- if the Trust proposes to re-invest the sales proceeds into any other infrastructure asset, it shall not be required to distribute any sales proceeds to the Trust or the Unitholders (as defined below); and
- if the Trust proposes not to invest the sales proceeds into any other infrastructure asset within a period of one year, it shall be required to distribute the same in accordance with the InvIT Regulations.

The Trust shall distribute at least 90% of the Distributable Income to the Unitholders. Such distribution shall be declared and made not less than once every quarter in every financial year. Notwithstanding the foregoing, the first declaration of distribution by the Trust shall be made within six months from the listing and trading of Units pursuant to this Offer, subject to compliance with the InvIT Regulations. In accordance with the InvIT Regulations, such distributions by the Trust shall be made no later than 15 days from the date of such declarations. The distribution, when made, shall be made in Indian Rupees.

All distributions to the Unitholders shall be made in compliance with the InvIT Regulations, IT Act and other applicable laws.

Distribution Policy

The Distribution Policy aims to outline the process and procedure for distribution in relation to the Trust.

Method of calculation of Distributable Income

The Distributable Income and the net distributable cash flows of any SPV shall be calculated in accordance with the InvIT Regulations. The indicative method of calculating net distributable cash flows for the SPV and the Trust is provided below:

I. Calculation of net distributable cash flows at each SPV level:

Description
Profit after tax as per profit and loss account (standalone) (A)
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: Interest on loans availed from Trust as per profit and loss account
Add: Interest on unpaid interest (on account of loans availed from Trust) as per profit and loss account

Add/Less: Decrease/Increase in working capital affecting the cash flow
Add/less: Loss/gain on sale of infrastructure assets
Add: Net Proceeds (after applicable taxes) from sale of infrastructure assets adjusted for the following: • related debts settled or due to be settled from sale proceeds; • directly attributable transaction costs; • proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Add: Net Proceeds (after applicable taxes) 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.
Less: Capital expenditure, if any
Less: Investments made in accordance with the investment objective, if any
Add/less: Any other item of non-cash expense / non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to • 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, lease rents, etc.
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due.
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. / net cash set aside to comply with borrowing requirements under agreements including DSRA, net of any debt raised by refinancing of existing debt or/and any new debt raised
Add/ less: Amounts added or retained to make the distributable cash flows in accordance with the Transaction Documents or the loan agreements
Add/Less: Any other adjustment to be undertaken by the board of directors of the Investment Manager (the "**IM Board**") to ensure that there is no double counting of the same item for the above calculations
Total Adjustments (B)
Net Distributable Cash Flows (C)=(A+B)

II. Calculation of net distributable cash flows at the consolidated Trust level:

Description
Cash flows received from Portfolio Assets in the form of interest/accrued interest/ additional interest
Add: Cash flows received from Portfolio Assets in the form of dividend
Add: Cash flows/ Proceeds from the Portfolio Assets towards the repayment of the debt issued to the Portfolio Assets by the Trust
Add: Cash Flow / 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
Add: Cash Flow / Proceeds from the sale of the Portfolio Assets not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently
Less: Costs/retentions associated with sale of the Portfolio Assets (a) Related debts settled or due to be settled from sale proceeds of Portfolio Assets (b) Transaction costs paid on sale of the assets of the Portfolio Assets; and (c) Capital gains taxes on sale of assets/shares in Portfolio Assets/other investments
Add: Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash invested by the Trust
Total cash inflow at the InvIT level (A)
Less: Any payment of fees, interest and expenses incurred at the Trust level, including but not limited to the fees of the Investment Manager, Trustee, Auditor, Valuer, credit rating agency
Less: Reimbursement of expenses in relation to the initial public issue of units of the Trust, if any
Less: Repayment of external debt (principal), net of any debt raised by refinancing of existing debt or/and any new debt raised
Less: Net cash set aside to comply with DSRA under loan agreements, if any.
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues
Less: Proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Less: Amount invested in any of the Portfolio Assets for service of debt or interest
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in the intervening period till next proposed distribution, but for which there may not be commensurate amounts available by the date such expenses become due.

Add: Net proceeds from fresh issuance of units by the Trust
Add/Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations
Total cash outflow/retention at the InvIT level (B)
Net Distributable Cash Flows (C) = (A+B)

For the purposes of the IT Act, any income distributed by the Trust to the Unitholders shall be deemed to be of the same nature and in the same proportion in the hands of the Unitholder as it had been received by, or accrued to, the Trust. Accordingly, the Trust may follow either the receipt approach or the accrual approach subject to the provisions of the IT Act and applicable accounting standards, however, the same shall be followed since the beginning and on a consistent basis.

In situations where it is not possible for the Trust to distribute the amounts received from the SPVs (whether in the nature of income or capital) net of expenses (direct and indirect) to the Unitholders in the same financial year, due to any reason, the Trustee shall cause the Investment Manager to maintain a record of nature and quantum of such un-distributed amounts. Future distributions by the Trust to the Unitholders to the extent of such un-distributed amounts shall be deemed to be of the same nature as the amounts remaining un-distributed in accordance with section 115UA of the IT Act.

Subject to any privileges/ immunities provided to the Unitholders under the Trust Deed or applicable law, the Trust may make deduction of any taxes, cess, fees, charges, duties, etc., as may be required to be deducted or withheld under the applicable law before making any payment of Distributable Income to any Unitholder.

In terms of the InvIT Regulations, if the distribution is not made within 15 days 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 under applicable law, until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the Trust. For a discussion on the risks relating to distribution, please see the section entitled "*Risk Factors*" on page 50.

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 the Trust; and (ii) promoters, directors, and partners of the Parties to the Trust. Further, related parties also include such persons and entities as defined in terms of the applicable accounting standards, being Ind AS 24 on "*Related Party Disclosures*" ("**Related Parties**") in relation to related party transactions. For further details in relation to related party transactions, please see the section entitled "*Combined Financial Statements*" on page 287. The Parties to the Trust, may, from time to time, enter into related party transactions, in accordance with applicable law.

Procedure for dealing with Related Party Transactions

The IM Board has adopted the RPT Policy pursuant to its resolution dated January 21, 2021.

The key terms of the RPT Policy are provided below:

(i). The Investment Manager will ensure that all future related party transactions shall be:

- (a). on an arm's length basis;
- (b). in accordance with the relevant accounting standards;
- (c). in the best interest of the Unitholders;
- (d). consistent with the strategy and investment objectives of the Trust; and
- (e). compliant with applicable law.

(ii). Review and approval of related party transactions:

- (a) Each transaction which is identified as a related party transaction shall be pre-approved by the Audit Committee prior to entering into such transaction.

- (b) The Audit Committee may grant omnibus approval for related party transactions. Each such omnibus approval shall be valid for a period not exceeding one year from the date of such approval, and related party transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee. The Audit Committee shall review, on a quarterly basis, the details of related party transactions entered into by the Trust pursuant to the omnibus approval.

(iii). The Investment Manager will establish an internal control system so as to ensure that all future related party transactions are compliant with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with any additional guidelines issued in this regard by SEBI and other relevant regulatory, statutory or governmental authorities from time to time.

(iv). In addition to any other requirement that may be prescribed in terms of the InvIT Regulations or other applicable laws, all related party transactions to be entered into in the future will be decided by the IM Board after the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the IM Board.

(v). The Investment Manager will ensure that if the total value of all the related party transactions in a financial year pertaining to acquisition or sale of assets, whether directly or through a holding company or SPV, or investments into securities, exceeds 5% of the value of the assets of the Trust or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the InvIT Regulations.

(vi). The Investment Manager will ensure that if the value of the funds borrowed from related parties in a financial year exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the SPVs, or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the InvIT Regulations.

(vii). As a general rule, the Investment Manager must demonstrate to the IM Board that future related party transactions satisfy the criteria set out in paragraph (i) above, at the time of recommending the same for the approval of the IM Board.

(viii). The Investment Manager will maintain a register to record all related party transactions entered into by the Trust and the basis on which they are entered into.

(ix). The Investment Manager will also incorporate into its internal audit plan a review of all related party transactions entered into by the Trust during each financial year, including a review of the implementation of the agreements, including any right of first offer or right of first refusal arrangements, to acquire assets from the Sponsor.

(x). The IM Board shall review at least quarterly in each financial year the related party transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the related party transactions have been complied with.

(xi). The Investment Manager shall ensure that the profits from related party transactions have arisen from legitimate business transactions.

(xii). While considering voting on a related party transaction which requires approval of the Unitholders, voting by any person who is a related party in such transaction as well as Associate of such person(s) shall not be considered on the specific issue.

Potential Conflict of Interest

(i). Subject to applicable law and the RPT Policy, all resolutions in writing of the IM Board in relation to matters concerning related party transactions of the Trust must be approved by a majority of the directors of the Investment Manager.

(ii). Where matters concerning the Trust relate to transactions entered into or to be entered into by the Investment Manager for and on behalf of Trust with a related party, the IM Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out in the RPT Policy.

(iii). While acquiring assets in the future from the Sponsor, the Investment Manager will maintain a register of all opportunities and transactions arising from the implementation of the agreements to acquire assets from the Sponsor.

(iv). As part of its review of the internal audit reports at least quarterly in each financial year, the IM Board will review the internal audit reports of the implementation of the agreements to acquire assets from the Sponsor to ensure compliance. The review will include an examination of supporting documents and such other data deemed necessary to the IM Board.

Disclosure and Reporting

(i). The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, including the status of compliance with the requirements specified under the InvIT Regulations in relation to related party transactions, within such time as may be prescribed in the InvIT Regulations and applicable law.

(ii). Related party transactions shall be disclosed: (a) in the offer document with respect to any transactions entered into prior to the offer of units and any such proposed transactions subsequent to the offer; and (b) to the stock exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreements to be entered into with the stock exchanges in relation to the listing of the Units. The Investment Manager shall adequately disclose the details of any fees or commissions received or to be received by such related party(ies) to the stock exchange.

(iii). In accordance with the InvIT Regulations, the annual report to be submitted by the Investment Manager to all Unitholders, electronically or by physical copies, and to the stock exchanges within three months from the end of the financial year, shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any projects, directly or through SPVs during the year, the value of which exceeded five percent of value of the assets of the Trust.

Related Party Transactions

Present and On-going Related Party Transactions

Related Party Transactions of the Trust in relation to the setting up of the Trust and this Offer

A number of present and on-going transactions with certain Related Parties have been, or will be, entered into in relation to the setting up of the Trust. The Trustee and the Investment Manager confirm that the following related party transactions have been, or shall be, entered into, on an arm's length basis in accordance with the relevant accounting standards, in the best interest of the Unitholders, consistent with:

(A) Share Purchase Agreements

Please see the section entitled "*– Acquisition of the Initial Portfolio Assets by the Trust – Share Purchase Agreements*" on page 199 for a description of the terms of the Share Purchase Agreements.

(B) Trust Deed

Please see the section entitled "*Parties to the Trust – Key Terms of the Trust Deed*" on page 93 for a description of the terms of the Trust Deed.

(C) Investment Management Agreement

Please see the section entitled "*Parties to the Trust – Key Terms of the Investment Management Agreement*" on page 104 for a description of the terms of the Investment Management Agreement.

(D) Project Implementation and Management Agreement

Please see the section entitled "*Parties to the Trust – Key terms of the Project Implementation and Management Agreement*" on page 114 for a description of the terms of the Project Implementation and Management Agreement.

(E) Facility Agreements

Please see the section entitled "*Formation Transactions in relation to the Trust – Utilisation of Offer Proceeds*" on page 24 for a description of the terms of the Facility Agreements.

(F) Trademark License Agreement

Please see the section entitled "*Our Business – Intellectual Property*" on page 159 for a description of the Trademark License Agreement.

Acquisition of the Initial Portfolio Assets by the Trust

Share Purchase Agreements

In connection with the Offer, the Trustee (on behalf of the Trust) has acquired a portion of the equity share capital of the Initial Portfolio Assets (the "**First Tranche**") from the Sponsor prior to the Closing Date in accordance with the terms of the Share Purchase Agreements. The remaining portion of the equity share capital of the Initial Portfolio Assets (the "**Second Tranche**") shall be acquired by the Trust from time to time, in each case after the expiry of the respective equity lock-in conditions in the TSAs. For details of the equity share capital of the Initial Portfolio Assets transferred to the Trust prior to Allotment, please see the section entitled "*Formation Transactions in relation to the Trust – Acquisition of the Initial Portfolio Assets by the Trust and acquisition of the Units by the Sponsor*" on page 23.

Under the terms of the Share Purchase Agreements, the consideration for acquisition of the First Tranche by the Trust from the Sponsor was payable in the form of Units, amounting to 410,650,900 Units. The number of Units allotted to the Sponsor has been determined upon finalization of the Offer Price, in accordance with the formula set out below:

Value of the Trust	X
Offer Price	Y
Total number of Units outstanding on a post-Offer basis	X/Y=Z
Fresh Issue size (total funds raised from the Fresh Issue)	B
Number of Units allotted to public unitholders pursuant to the Fresh Issue (assuming full subscription)	B / Y=A
Number of Units to be issued to the Seller in terms of this Agreement (i.e., First	Z-A

Tranche Consideration)*	

**Provided that the aggregate payment to be made in the form of Units to the seller shall be made only in whole Units, and any fractional Units shall be rounded up to the nearest whole Unit*

The consideration payable by the Trust to the Sponsor in respect of the Second Tranche shall be determined by the Trust and notified to the Sponsor in accordance with the terms of the Share Purchase Agreements.

Under the Share Purchase Agreements, the Sponsor shall provide various representations and warranties (which shall be subject to some of the disclosures in the Offer Document and this Final Offer Document) in relation to the Initial Portfolio Assets, which include those related to:

(i). certain fundamental aspects, such as: (a) due incorporation of the Sponsor and the Initial Portfolio Assets; (b) enforceability of the Share Purchase Agreements; (c) absence of any agreements, options, warrants or other rights relating to issuance, sale or purchase of any equity shares of the Initial Portfolio Assets; and (d) due authorization of the sale of the equity shares of the Initial Portfolio Assets and validity of such equity shares;

(ii). corporate records, financial statements, intellectual property and insurance;

(iii). compliance with applicable laws, including environmental matters;

(iv). validity of applicable approvals, licenses, permits and authorizations; and

(v). litigations and taxation.

Further, the Sponsor shall indemnify, defend and hold harmless the Trust and the Investment Manager promptly upon demand at any time and from time to time, from and against losses which relate to or arise from: (i) actual or alleged breach of or inaccuracies or misrepresentations in any of the warranties provided by the Sponsor or breach of any covenant of the Sponsor; or (ii) any pending or threatened claims against the Company from the period prior to and including the Closing Date. Under the terms of the Share Purchase Agreements, the period for claiming under the indemnity shall be unlimited in respect of fundamental warranties of the Sponsor and three years from the Closing Date for all other warranties of the Sponsor.

Under the Share Purchase Agreements, the Trust has agreed that the claims made by the Initial Portfolio Assets, as identified in the Share Purchase Agreements and as disclosed in the section entitled "*Legal and Other Information – Litigation involving the Trust*" on page 215, shall be to the account of the Sponsor and subject to applicable law, shall be transferred by the Trust to the Sponsor.

Under the Share Purchase Agreements, the Sponsor has agreed that it shall not exercise any rights that prevents the Trust from complying with the provisions of the InvIT Regulations.

Borrowings from Related Parties

Borrowings in the form of inter-corporate loans were provided by the Sponsor to the Initial Portfolio Assets. Such borrowings are proposed to be repaid from the Offer Proceeds. For details, please see the sections entitled "*Financial Indebtedness and Deferred Payments*" and "*Use of Proceeds*" on pages 167 and 164, respectively.

Potential Conflicts of Interest

The Investment Manager has established certain procedures to deal with conflict of interest issues. For further details on management of potential conflicts of interest, please see the section entitled "*– Procedure for dealing with Related Party Transactions*" on page 197.

Conflicts of the Investment Manager

The Investment Manager is presently operating the 400 kV D/C transmission system for ATS of Unchahar TPS. The project was awarded to the Investment Manager through tariff based competitive bidding, on a build, own, operate and maintain basis. In this regard, the Investment Manager entered into a TSA dated December 20, 2013 with Jodhpur Vidyut Vitran Nigam Limited, Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited, Uttar Pradesh Power Corporation Limited, Himachal Pradesh State Electricity Board Limited, Uttarakhand Power Corporation Limited, Tata Power Delhi Distribution Limited, Haryana Power Purchase Centre, Power Development Department, Government of Jammu & Kashmir and Electricity Wing of Engineering Department, Union Territory of Chandigarh (the "**PUTL TSA**"). The term of the PUTL TSA is 35 years from the date of scheduled COD i.e. until September 30, 2051. Further, under the Investment Management Agreement, the Investment Manager is permitted to undertake other transmission projects from time to time. Accordingly, the Investment

Manager presently competes, and may compete in the future, with the Trust, by undertaking transmission projects.

The Investment Manager shall perform its duty in relation to the Trust independent of its obligations with respect to any transmission projects undertaken by it as on the date of this Final Offer Document or in the future.

As on the date of this Final Offer Document, the transmission projects operated by the Investment Manager are not proposed to be acquired by the Trust.

DILUTION

Dilution is the amount by which the Offer Price exceeds the net asset value ("**NAV**") per Unit, immediately after the completion of this Offer. NAV per Unit is determined by subtracting the total liabilities of the Trust from the total assets of the Trust and dividing by the number of Units issued and outstanding immediately before this Offer. There was no *pro forma* NAV before this Offer.

The Trust will issue 909,999,200 Units at an Offer Price of ₹ 100 for each Unit, resulting in a combined NAV of the Trust of approximately ₹ 90,186.02 million or ₹ 99.11 per Unit based on the total number of post-Offer outstanding Units. This represents an immediate dilution in combined NAV of approximately ₹ 0.89 per Unit to the Sponsor and an immediate dilution in combined NAV of approximately ₹ 0.89 per Unit to other Unitholders, subscribing in this Offer.

The following provides the per Unit dilution as on December 31, 2020:

Combined NAV per Unit before this Offer*	Not applicable
Combined NAV per Unit after this Offer*	₹ 99.11
Dilution in NAV per Unit to the Sponsor attributable to the Sponsor*	0.89
Dilution in NAV per Unit to Unitholders (other than the Sponsor) *	0.89
Dilution to Unitholders (other than the Sponsor) as a percentage of the Offer Price*	0.89%

* *Subject to finalization of Basis of Allotment*

REGULATIONS AND POLICIES

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. The Ministry of Power, Government of India, through a letter dated June 17, 2020, advised POWERGRID to set up a wholly-owned subsidiary with separate accounting and board structures. Subsequently, POWERGRID has set up Central Transmission Utility of India Limited as its wholly owned subsidiary and the Government of India, vide gazette notification dated March 9, 2021, (a) notified Central Transmission Utility of India Limited as the CTU; and (b) declared that POWERGRID shall continue as 'deemed transmission licensee', effective from April 1, 2021. Central Transmission Utility of India Limited would be responsible for carrying out the functions identified for the CTU under the Electricity Act and other functions assigned to the CTU by the GoI. Accordingly, Central Transmission Utility of India Limited has been recently incorporated as a wholly-owned subsidiary of POWERGRID. Similarly, the State Government may notify the State Electricity Board ("**SEB**") or any Government company as STU. 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 (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010

The CERC notified the Central Electricity Regulatory Commission (Grant of Regulatory Approval for execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 ("**Regulatory Approval Regulations**") on May 31, 2010. These regulations shall not apply to cases where all the beneficiaries/ respective STUs have signed the Bulk Power Transmission Agreement to share the transmission charges. The Regulatory Approval Regulations streamlines the procedure for according regulatory approval to CTU for network expansion in consonance with the National Electricity Plan. The CTU shall make an application as prescribed in the Regulatory Approval Regulations before CERC for regulatory approval of identified Scheme along with the project inception report.

c. ***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 (vii) 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 35th year of commercial operation the tariff for the extended period upto 35th 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.

d. ***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.

e. 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 being withdrawing DIC, 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.

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.

Mechanism for sharing of ISTS transmission charges

As per the CERC Sharing Regulations, the monthly ISTS transmission charges shall be a combination of charges for national component, regional component, transformer component and AC System Component as set out in the CERC Sharing Regulations, on actual basis based on the peak block for the billing period and on the technical and commercial information provided by DICs, ISTS transmission licensees, CTU, NLDC, RLDCs and SLDCs to the implementing agency.

Mechanism of sharing of ISTS losses

Transmission losses for ISTS are calculated on all India average basis by the implementing agency for each week, from Monday to Sunday. Drawal schedule of DICs are prepared as per provisions of the Grid Code taking into account the transmission losses of the week preceding the last week.

Treatment of transmission charges and losses

The CERC Sharing Regulations also sets out specific provisions for treatment of transmission charges and losses and its billing in specific cases including where there is mismatch in commissioning of the generating station or associated transmission system of the concerned ISTS Licensees.

Billing, Collection and Disbursement

As per the CERC Sharing Regulations, the CTU is responsible for raising transmission bills, collection of transmission charges and disbursement of transmission charges to ISTS transmission licensees.

The bills for the use of the ISTS shall be raised by the CTU on the concerned DICs under the three categories called first bill, second bill and third bill. The first bill is raised each month and contains the transmission charges for the billing period while the second bill is quarterly bill raised in the months of April, July, October and January every year to adjust variations on account of any revision in transmission charges allowed by CERC, including incentives as applicable. The third bill is raised each month for Transmission Deviation charges.

Notwithstanding any provision to the contrary in the applicable Tariff Regulations or Transmission Service Agreement under tariff based competitive bidding, a rebate of 1.50% is allowed for payment of bills within a period of 5 days of presentation of bills while rebate of 1% is allowed where payments are made on any day after 5 days and within a period of 30 days of presentation of bills.

The CTU collects transmission charges on account of the first bill for transmission system and disburses the amount so collected to the transmission licensees in proportion to their YTC. In case of shortfall in collection of transmission charges, the amount to be disbursed to transmission licensees is reduced pro-rata from their share of YTC. The CTU collects transmission charges under the second bill and disburses the same to the respective transmission licensees and the CTU collects Transmission Deviation charges under the third bill and reimburse the same to the DICs, in proportion to their first bill in the following billing month. The charges collected are first adjusted towards late payment surcharge on the outstanding transmission charges and thereafter towards outstanding transmission charges, starting from the longest overdue bill.

Due date for payment of bill is 45 days from the date of serving the bill. In case the payment of any bill for charges payable under these regulations is delayed by a DIC, beyond the due date, a late payment surcharge at the rate of 1.50% per month shall be payable by the concerned DIC.

g. **Central Electricity Regulatory Commission (Communication System for inter-State transmission of electricity) Regulations, 2017**

The CERC notified the Central Electricity Regulatory Commission (Communication System for inter-State transmission of electricity) Regulations, 2017 ("**Communication Regulations**") on May 15, 2017, which came into force with effect from July 1, 2017. The Communications Regulations shall apply to the communication infrastructure to be used for data communication and tele-protection for the power system at National, Regional and inter-State level and shall also include the power system at the State level till appropriate regulations on communication are framed by the respective SERCs. The Communication Regulations lay down the rules, guidelines and standards to be followed for continuous availability of data for system operation and control including market operations. The Communication Regulations also deal with the planning, implementation, operation & maintenance and up-gradation of reliable communication system for all communication requirements including exchange of data for integrated operation of national grid.

h. **Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020**

The CERC notified the Central Electricity Regulatory Commission (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 (**"Sharing of Revenue Regulations"**) on February 17, 2020. These regulations came into force with effect from July 1, 2020 and are applicable to the inter-State transmission licensees, whose transmission charges are determined by the CERC under Section 62 of the Electricity Act or adopted by the Commission under Section 63 of the Electricity Act.

In case a transmission licensee proposes to undertake telecommunication business, it has to give prior intimation to CERC and an amount equal to 10% of the gross revenue from such business in a given financial year shall be shared with the long term customers. For businesses other than telecommunication, the transmission licensee shall seek prior approval of CERC by filing a petition as regards sharing of revenues derived from other businesses and the sharing of revenue shall be decided by the CERC on case-to-case basis. The revenue thus shared in accordance with these regulations shall be utilised towards reduction of monthly transmission charges payable by the long term customers of the transmission assets in proportion to the transmission charges payable by them to the transmission licensee.

The transmission licensee is not allowed in any way, directly or indirectly to encumber its transmission assets to support these other business or add any cost or revenue relating to other business to the cost or revenue of the transmission business. It has to ensure that transmission assets utilised for other business shall not, in any manner, adversely affect inter-State transmission of electricity.

In case the transmission licensee intends to form a subsidiary company for engaging in other business, it shall seek prior approval of the CERC and shall indemnify the long term customers for any additional cost or losses or damages due to such subsidiary company.

i. **Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012**

CERC notified the Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012 ("**SoP Regulations**") on September 17, 2012. The regulations mandates compliance of the standards of performance by the inter-State transmission licensees and to provide for an efficient, reliable, coordinated and economical system of electricity transmission, non-adherence of which would entitle the affected parties to compensation. Standards of performance includes transmission system availability, restoration time for different types of failures of transmission lines and information to be furnished by the inter-State transmission licensees to CERC.

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.

For details in relation to the TBCB mechanism, please see the section entitled "*Overview of the Power Industry in India*" on page 130.

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 Initial 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.

REGULATORY APPROVALS

The Trust and the Initial Portfolio Assets are required to obtain consents, licenses, registrations, permissions and approvals for carrying out their present business activities which include, approvals required for registration of the Trust 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 and regulations made thereunder, approvals from the telegraph authority and energisation approvals from the Central Electricity Authority. There are certain other consents, licenses, registrations, permissions and approvals that we obtain for our business, which include, tax related approvals, labour related approvals, approvals under the shops and establishments acts of various states, aviation clearances from the Airport Authority of India, no objection certificates from the Ministry of Defence, certain environmental approvals and clearances, 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 requirements in the state in which the project is being undertaken, and the size and type of the projects undertaken. Further, as the obligation to obtain such approvals arises at various stages in our projects and related assets, applications are filed and the necessary approvals are obtained at the appropriate stages.

Other than as stated in this section, the Trust and the Initial 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 the Trust and the Initial Portfolio Assets for undertaking their business have elapsed in their normal course, and they have either made applications to the relevant central or state government authorities for renewal of such consents, licenses, registrations, permissions and approvals, or are in the process of making such applications for renewal of such consents, licenses, registrations, permissions and approvals. In view of the approvals listed below, the Trust can undertake the Offer as well as its current business, as applicable, and no further material approvals from any governmental or regulatory authority under the Electricity Act, or the rules made thereunder or any other entity are required to undertake the Offer or to continue its business, as applicable. Unless otherwise stated, these approvals are all valid as on date of this Final Offer Document.

I. Approvals in relation to the Offer

1. In-principle approval from BSE dated February 3, 2021.

2. In-principle approval from NSE dated February 2, 2021.

II. Approvals for the Trust

1. Certificate of registration bearing number IN/InvIT/20-21/0016 dated January 7, 2021 with SEBI as an infrastructure investment trust.

III. Approvals received by the Initial Portfolio Assets

PVTL

1. Transmission license dated January 8, 2014, issued by the CERC under Section 14, read with 15 (1) of the Electricity Act for grant of transmission license to undertake the business of establishing, commissioning, operating and maintaining transmission systems for transmission lines, namely, (i) Srikakulam PP - Vemagiri - II Pooling Station 765kV D/C line; and (ii) Khammam (Existing) - Nagarjuna Sagar 400 kV D/C line.

2. Tariff order dated January 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 established by PVTL.

3. Approval dated March 8, 2012, issued by the Ministry of Power, Government of India, under Section 68 of the Electricity Act for transmission system for system strengthening in southern region for import of power from eastern region in favour of PVTL.

4. Approval dated May 21, 2014, issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for transmission lines, namely, (i) 765kV D/C Srikakulam Pooling Station -Vemagiri Pooling Station D/C line; and (ii) 400 kV Khammam Pooling Station - Nagarjuna Sagar S/stn D/c line.

5. Approval issued by CEA, under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended, for energisation of:

(i) 765kV D/C Srikakulam - Vemagiri transmission line dated September 29, 2016; and
(ii) 400kV D/C (Twin Moose) Khamman - N Sagar D/C transmission line dated December 30, 2015.

PKATL

1. Transmission license dated September 4, 2014, issued by the CERC under Section 14 of the Electricity Act for establishing transmission lines for inter-state transmission system, being, (i) 7 x 105 MVA (1-ph), 400/220 kV GIS sub-station at Kala Amb., (ii) LILO of both circuits of Karcham Wangtoo-Abdullapur 400 kV D/C (Quad Moose) line at Kala Amb (on multi Ckt towers); and (iii) 40% Series Compensation on 400 kV Karcham Wangtoo - Kala Amb quad D/C line at Kala Amb ends.

2. Tariff order dated August 22, 2014, issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system being established by PKATL.

3. Approval dated September 16, 2013, issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for laying of overhead transmission line in favour of PKATL.

4. Approval dated April 27, 2016, issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for LILO of both circuits of Karcham Wangtoo – Abdullapur 400kV D/C transmission line.

5. Approval issued by CEA, under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended, for energisation of:

   (i) 12 Nos. 400kV GIS bays, 9 Nos. 220kV GIS bays, 7 x 105 MVA 400/220/33kV ICTs including 1 No. spare ICT, 2 x 80 MVAR Bus Reactor, 6 sets of 178.09 MVAR FSCs and associated auxiliary apparatus at 400/220kV Kala Amb Substation of PKATL dated July 5, 2017;
   (ii) LILO of 400kV D/C Karcham Wangtoo - Abdullapur transmission line at 400/220kV Kala Amb Substation dated July 5, 2017; and
   (iii) 40% Series Compensation on 400 kV Karcham Wangtoo - Kala Amb quad D/C line at Kala Amb ends dated July 5, 2017.

PPTL

1. Transmission license dated July 10, 2015, issued by the CERC under Section 14, read with 15 (1) of the Electricity Act for establishing transmission systems for transmission lines, namely, (i) Warora (Pooling Station) - Parli (New) 765kV D/C line, (ii) Parli (New) - Solapur 765kV D/C line, (iii) Parli (New) - Parli (PG) 400kV D/C (Quad) line; and (iv) Establishment of 2x1500 MVA 765/400 kV Parli (New) S/S line.

2. Tariff order dated June 23, 2015, issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system to be established by PPTL.

3. Approval dated December 10, 2014, issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for laying of overhead transmission line in favour of PPTL.

4. Approval dated June 28, 2017, issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for transmission lines, namely, (i) Warora (Pooling Station) - Parli (New) 765kV D/C line, (ii) Parli (New) - Solapur 765kV D/C line, (iii) Parli (New) - Parli (PG) 400kV D/C (Quad) line.

5. Approval issued by CEA, under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended, for energisation of:

   (i) electrical installation of Warora (Pooling Station) - Parli (New) 765kV D/C line dated May 10, 2018;
   (ii) newly constructed 765kV D/C New Parli – Solapur Transmission Line dated April 13, 2018;
   (iii) newly constructed 400KV D/C Parli - Parli Transmission Line dated April 13, 2018; and
   (iv) electrical installation of 765/400kV Parli New Sub - Station in the premises of Powergrid Parli Transmission Limited (PGPTL), Power Grid Corporation of India Ltd. (PGCIL), Village: Dhanora Bk, Ambajogai Taluka, Dist. - Beed, Maharashtra dated April 18, 2018.

PWTL

1. Transmission license dated August 5, 2015, issued by the CERC under Section 14, read with 15 (1) of the Electricity Act for establishing transmission systems for transmission lines, namely, (i) as per the interim arrangement, LILO of existing Seoni - Bina 765 kV S/C line at Gadarwara STPP would be established. At a later date, LILO portion would be delinked from Seoni - Bina 765kV S/C line to restore the Seoni – Bina 765 S/C direct line, and the LILO portion would be extended to the Jabalpur 765/400 kV Pooling Station to form the proposed Gadarwara 765/400kV Pooling Station to form the proposed Gadarwara - Jabalpur Pool 765 kV D/C line, (ii) Gadarwara STPS -Jabalpur Pool 765 kV D/C line, (iii) Gadarwara STPS – New Pooling Station within the jurisdiction or boundary of Warora 765 kV D/C line, (iv) LILO of both circuits of Wardha – Parli (PG) 400 kV D/C line at Warora Pooling Station (Quad); and (v) Establishment of 2x1500 MVA 765/400 kV (New Pooling Station within the jurisdiction or boundary Warora).

2. Tariff order dated June 23, 2015, issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system to be established by PWTL.

3. Approval dated November 26, 2014, issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for laying of overhead transmission line in favour of PWTL.

4. Approval dated April 11, 2017, issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for transmission lines, namely, (i) Gadarwara STPS - Jabalpur Pool 765 kV D/C line, (ii) Gadarwara STPS – New Pooling Station within the jurisdiction or boundary of Warora 765 kV D/C line, (iii) LILO of both circuits of Wardha – Parli (PG) 400 kV D/C line at Warora Pooling Station (Quad);

6. Approval issued by CEA, under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended, for energisation of:

   (i) electrical installation of one 80 MVAR, 400kV Line Reactor and associate equipment at M/s PGCIL Warora Trans. Ltd., Warora, Dist.- Chandrapur – 44290 dated April 26, 2018;
   (ii) electrical installation of LILO of 765 kV S/C Seoni-Bina Transmission Line at Gadarwara associated with Transmission system for Gadarwara STPS (2 x 800 MW) of NTPC dated November 23, 2016;
   (iii) LILO point of 765 kV D/C Seoni-Bina to Jabalpur Pooling Transmission Line associated with Transmission system for Gadarwara STPS (2 x 800 MW) of NTPC dated May 24, 2017;
   (iv) electrical installation of Gadarwara STPS – Warora Pooling Station 765 kV D/C line associated with Transmission System for Gadarwara STPS (2x800MW) of NTPC dated June 22, 2018;
   (v) 400kV 2xD/C LILO of both circuits of Wardha – Parli Transmission Lines at Warora dated April 13, 2018; and
   (vi) electrical installation of 765/400 KV Warora S/s in the premises of PGWTL/PGCIL, Village-Nagri, Tal-Warora, Dist-Chandrapur-442907 dated May 15, 2018.

PJTL

1. Transmission license dated June 15, 2015, issued by the CERC under Section 14, read with 15 (1) of the Electricity Act for grant of transmission license for establishing transmission system for Vindhyachal Pooling Station – Jabalpur Pooling Station 765 kV D/C line.

2. Tariff order dated May 28, 2015, issued by the CERC under Section 63 of the Electricity Act for adoption of transmission charges in respect of the transmission system being established by PJTL.

3. Approval dated September 22, 2014, issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act for laying of overhead transmission line in favour of PJTL.

4. Approval dated September 15, 2016, issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act for 765kV D/C Vindhyachal - Jabalpur Transmission Line.

5. Approval issued by CEA, under Regulation 43 of CEA (Measures relating to Safety and Electric Supply) Regulations, 2010, as amended, for energisation of electrical installation of 765kV D/C Vindhyachal - Jabalpur Transmission Line dated December 11, 2018.

IV. Approvals applied for but not yet received

1. Application dated July 29, 2020 made by PKATL under section 18 of the Electricity Act, read with section 14 of the Electricity Act, before the CERC for amendment of the transmission license bearing number

30/Transmission/2014/CERC dated September 4, 2014, granted by CERC to include the scope of transmission scheme, namely, 1 x 125 MVAR, 42 kV, bus reactor at Kala Amb sub-station pursuant to the notification dated March 5, 2019 issued by the Ministry of Power, Government of India.

V. Approvals for which applications are yet to be made

As on the date of this Final Offer Document, there are no material approvals required by the Trust or the Initial Portfolio Assets to conduct their respective businesses which have not been applied for.

LEGAL AND OTHER INFORMATION

Except as stated in this section, there are no pending material litigations and actions by regulatory authorities, in each case against the Trust, the Sponsor, the Investment Manager, the Project Manager or any of their respective Associates and the Trustee as on the date of this Final Offer Document.

For the purpose of this section, details of all regulatory actions and criminal matters involving the Trust, the Sponsor, the Investment Manager, the Project Manager, any of their respective Associates and the Trustee, that are currently pending have been disclosed. Further, any civil matter involving an amount equivalent to, or more than, the amount as disclosed below, in respect of the Trust, the Sponsor, the Project Manager, the Investment Manager and each of their Associates (including common Associates of the Sponsor and the Investment Manager) and the Trustee has been disclosed.

For the Sponsor or Project Manager, the total consolidated income for Fiscal 2020 was ₹ 386,709.60 million and the consolidated net worth (i.e. the total of share capital and consolidated reserves and surplus) was ₹ 646,953.50 million. Accordingly, in respect of the Sponsor or the Project Manager and its Associates (some of which are also Associates of the Investment Manager), all outstanding civil matters which involve an amount exceeding ₹ 19,335.50 million (being 5% of the total consolidated income for Fiscal 2020) have been considered material. Further, all Associates of the Investment Manager and Associates of the Trust are the Associates of the Sponsor, and accordingly, in respect of the Associates of the Investment Manager and Associates of the Trust, all outstanding civil cases which involve an amount exceeding ₹ 19,335.50 million have been considered material.

For the Investment Manager, the total consolidated income for Fiscal 2020 was ₹ 221.00 million and the consolidated net worth (i.e. the total of share capital and consolidated reserves and surplus) was ₹ 244.40 million. Accordingly, in respect of the Investment Manager, all outstanding civil matters which involve an amount exceeding ₹ 11.10 million (being 5% of the total consolidated income for Fiscal 2020) have been considered material. However, the Investment Manager does not have any outstanding litigation.

For the Trustee, all outstanding cases involving the Trustee have been disclosed.

In relation to the Initial Portfolio Assets, all outstanding civil matters which involve an amount equal to, or more than, five per cent of the combined income or the combined net worth of the Trust for Fiscal 2020, whichever is lower, has been considered material for disclosure. The combined income of the Trust for Fiscal 2020 was ₹ 13,341.00 million and the combined net worth (i.e. the total of share capital and consolidated reserves and surplus) was ₹ 15,337.00 million. Accordingly, all outstanding cases which involve an amount exceeding ₹ 667.10 million (being 5% of the combined income for Fiscal 2020) have been considered material.

Further, all pending cases, where the amount is not ascertainable but considered material by the Trust, the Sponsor, the Investment Manager, the Project Manager or any of their Associates and the Trustee as on the date of this Final Offer Document have been disclosed. Also, in cases where outcome of one litigation impacts one or more other litigations, which individually are below materiality threshold, but collective above, such cases have also been disclosed.

Further, as the Sponsor (and Project Manager) is promoted by the President of India, persons or entities that may be classified as 'associates' of the Sponsor (and Project Manager) in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as 'associates' of the Sponsor (and Project Manager). Consequently, information or disclosures required to be included with respect to such persons or entities pursuant to the InvIT Regulations has not been included in this Final Offer Document. Information or disclosure has been included for entities qualifying as associates of the Sponsor (and Project Manager) by virtue of Regulation 2(1)(b)(i) of the InvIT Regulations, being entities controlled, directly or indirectly, by the Sponsor (and Project Manager).

I. Litigation involving the Trust

A. PWTL

Regulatory matters

(i) PWTL had filed an appeal ("**Appeal**") before the Sub-Divisional Officer, Warora against the Tehsildar, Warora ("**Tehsildar**"). The Tehsildar had, pursuant to order dated January 10, 2018 ("**Order**"), revised the non-agricultural tax assessment of ₹ 0.74 million made by the Naib Tehsildar, Warora, to ₹ 3.31 million on the grounds, among others, that the Naib Tehsildar had failed to impose a penalty on PWTL for carrying out construction on the concerned land for commercial use without obtaining the requisite permission. PWTL has challenged the Order on the grounds, among others, that it is entitled to an exemption from obtaining the permission for non-agricultural use of the land for bonafide industrial use pursuant to Section 44A of Maharashtra Land Revenue Code, 1966. The Sub-Divisional

Officer, Warora has, pursuant to order dated July 17, 2018, partially allowed the Appeal and remanded the matter to the Tehsildar. The matter is currently pending.

B. PKATL

Regulatory matters

(i) An appeal has been filed by Himachal Pradesh State Electricity Board ("**Appellant**") against PKATL before APTEL challenging the order dated September 18, 2018 passed by CERC pursuant to which CERC held that certain elements of a transmission system cannot be put to use till the date of establishments of downstream network by the Appellant and hence the monthly transmission charges under the PoC mechanism for the applicable period shall be recoverable by PKATL from the date of commercial operation until establishment of the downstream system by the Appellant and the amounts already paid by the Appellant to PKATL on bilateral basis shall be simultaneously refunded with the billing of transmission charges under the PoC mechanism. The matter is currently pending.

C. PJTL

Regulatory matters

(i) A petition has been filed by PJTL against Maharashtra State Electricity Distribution Company Limited, MP Power Management Company Limited and others ("**Respondents**") before CERC, requesting for, among others, condonation of delay and time extension for a period of nine days over and above the extension of 180 days granted by one of the Respondents due to occurrence of certain force majeure and change in law events in terms of the transmission service agreement dated November 19, 2014 which impacted the implementation of transmission project "765 kV D/C Vindhyachal – Jabalpur Transmission Line". The matter is currently pending.

II. Litigation involving Associates of the Trust

As on the date of this Final Offer Document, the Trust does not have any Associate.

III. Litigation involving Associates of the Sponsor

A. Powerlinks Transmission Limited ("PTL")

Regulatory matters

(i) The Employees' State Insurance Corporation ("**ESIC**") authority issued a demand notice dated August 31, 2016 ("**Demand Notice**") of ₹ 7.57 million for the period, Fiscal 2011 to Fiscal 2015 for non-payment of contribution under section 45-A of the Employees' State Insurance Act, 1948. This demand was subsequently reduced to ₹ 4.90 million ("**Penalty Amount**") pursuant to the letter dated December 21, 2016 issued by ESIC. PTL contended that the calculation of ESIC penalty by ESIC was incorrect. Accordingly, PTL filed an appeal before the ESI court located in the District Court, Saket, New Delhi ("**District Court**") against the Demand Notice on February 3, 2017. The district court by way of the order dated October 3, 2019 directed PTL to deposit 25% of the Penalty Amount. This matter is currently pending.

(ii) The Deputy Commissioner, Commercial Taxes issued an order dated December 3, 2012 ("**Order 1**") cancelling the registration certificate issued to PTL under Central Sales Tax ("**CST**") from retrospective effect i.e. from the date of issue being February 25, 2004. PTL filed an appeal before the Additional Commissioner (Appeals), Commercial Tax, Lucknow (the "**Appellate Authority**") where the retrospective cancellation was nullified pursuant to the order dated March 18, 2013. However, cancellation of registration was upheld from December 3, 2012 i.e. from the date of the Order 1 with prospective effect. PTL filed an appeal with the Commercial Taxes Tribunal ("**CTT**") on July 15, 2013 against the prospective cancellation of the CST registration. Subsequently, CTT passed an order upholding the decision of the Appellate Authority ("**Order 2**"). PTL has filed a revision petition on March 2, 2016 in the Lucknow High Court against Order 2. This matter is currently pending.

(iii) The Department of Central Sales Tax Lucknow, Uttar Pradesh (the "**Department**") issued a notice dated June 28, 2012 under section 10(A) of the Central Sales Tax Act, 1956 for the Fiscals 2005 to 2008 in relation to a payment of penalty for differential tax due to use of 'C' form for interstate purchase of goods and materials. Subsequently, the Department on July 30, 2014, issued a notice for the Fiscals 2009 to 2011 levying a penalty for the equivalent to 1.50 times the differential tax for use of 'C' form. The total penalty levied by the Department was ₹ 265.70 million. PTL filed a petition dated September 12, 2014 with the Appellate Authority, Lucknow, Uttar Pradesh ("**Appellate Authority**") which was rejected. A second appeal was filed by PTL on December 12, 2012 wherein the Commercial

Taxes Tribunal ("**CTT**") by way of the order dated July 18, 2013 recorded that there was no *mens rea* on the part of PTL for using 'C' forms for purchase of the assets, which was mentioned in the registration certificate. Subsequently, the CTT transferred the case to the Appellate Authority. This matter is currently pending.

(iv) The Department of Income Tax issued a demand notice dated August 10, 2010 for an amount of ₹ 14.52 million on account of dividend distribution tax ("**DDT**"). PTL filed a rectification application dated June 16, 2015 before the Assessing Officer, Income Tax, New Delhi ("**Tax Officer**") contending that PTL had erroneously mentioned the TAN number in the challan instead of the PAN number and erroneously mentioned incorrect amount of the dividend paid in Fiscal 2008. The Tax Officer passed a rectification order dated September 7, 2015 ("**Rectification Order**") under section 154 of the Income Tax Act, 1961, rejecting the contention of PTL. Subsequently, PTL filed an appeal before the Commissioner of Income Tax (Appeals) on November 27, 2015 against the Rectification Order. This matter is currently pending.

(v) The Department of Income Tax issued a demand notice with Nil amount. PTL claimed additional deduction under section 80IA of the Income Tax Act, 1961. The re-assessment proceedings conducted by assessing officer concluded on December 31, 2017 and an additional amount of ₹ 147.57 million was imposed on PTL. PTL then filed an appeal before CIT(A) and the order of the assessing officer was upheld. This matter is currently pending.

(vi) The Department of Income Tax issued a demand notice with Nil value. PTL filed an appeal before the Commissioner of Income Tax (Appeals) on January 27, 2020 for, *inter alia*, disallowance of depreciation on additions made to transmission lines in form of capital expenses amounting to ₹ 101.62 in accordance with provisions of section 32 of the Income Tax Act, 1961 (the "**IT Act**"), disallowance of the donations under section 80G of the IT Act amounting to ₹ 5.25 million and certain other disallowances with total disallowances amounting to ₹ 125.14 million. This matter is currently pending.

B. Jaypee POWERGRID Limited ("JPL")

Regulatory matters

(i) An appeal has been filed by JPL before APTEL challenging the order dated May 22, 2009 passed by CERC pursuant to which CERC had approved the project cost of ₹ 10,069.50 million for the tariff and trued up tariff for the period between June 1, 2011 and March 31, 2014 and approved the tariff for the period between April 1, 2014 and March 31, 2019. CERC did not allow the capital cost of ₹ 18.40 million towards certain expenses, among others, company formation and expenses towards increase in authorized share capital. The matter is currently pending.

(ii) JPL filed a tariff petition dated October 17, 2019 with CERC for the true-up of tariff for the period April 1, 2014 to March 31, 2019 and approval of tariff for the period April 1, 2019 to March 31, 2024. The matter is currently pending.

C. Parbati-Koldam Transmission Company Limited ("**PKTCL**")

Regulatory matters

(i) PKTCL filed a tariff petition for 400 kV Koldam - Ludhiana Transmission Line. CERC issued provisional order dated December 23, 2014 granting 80% tariff of the annual fixed charges claimed in respect of the transmission system. CERC vide order dated December 19, 2016 ("**Order**") issued final order in aforesaid tariff petition allowing 100% project cost with no time and cost overrun in the project element. However, CERC vide the Order shifted the date of commissioning of the project elements to the date of actual power flow and ordered PKTCL to recover only IDC and IEDC for the period starting from the claimed date of charging (i.e. date of idle charging of line elements) to the date when the transmission elements received actual power flow ("**Differential Period**") from NTPC. PKTCL filed a review petition against the Order requesting CERC to allow complete transmission charges for the Differential Period in the manner and from the agency as decided by CERC, among other things. Thereafter, NTPC filed a review petition against the Order. CERC issued final order in review petition vide order dated July 24, 2019 allowing complete transmission charges to PKTCL for "Differential Period" to be recovered from NTPC. NTPC filed an appeal with APTEL challenging the orders issued by CERC. This matter is currently pending.

(ii) PKTCL filed a tariff petition for section of 2 X 400 kV S/C Parbati-II to Koldam Transmission Lines staring from LILO point of Banala Pooling Station to Koldam (connected to tower 9C of Ckt-I of D/C 400 kV Koldam – Nalagarh Transmission Line of PGCIL forming Banala – Nalagarh Section) Ckt-I, and from LILO point of Banala Pooling Station to Koldam (connected to tower 9E of Ckt-I of D/C 400 kV Koldam – Nalagarh Transmission Line of PGCIL forming Banala – Koldam Section) Ckt-II. CERC issued a provisional tariff order dated December 22, 2014 granting 80% tariff of the annual fixed charges claimed in respect of the transmission system. CERC vide order dated January 16, 2017 ("**Order**") issued the final order allowing 100% project cost with no time and cost overrun in the project.

However, CERC *vide* the Order shifted the date of commissioning of the project elements to the date of actual power flow and ordered PKTCL to recover only IDC and IEDC for the period starting from the claimed date of charging (i.e. date of idle charging of line elements) to the date when the transmission elements received actual power flow ("**Differential Period**") from NTPC. PKTCL filed a review petition against the Order requesting CERC to allow complete transmission charges for the Differential Period in the manner and from the agency as decided by CERC, among other things. Subsequently, NTPC approached APTEL against the Order. NTPC has also filed an interlocutory application for grant of stay on bills raised by PKTCL claiming tariff for the "Differential Period". The matter is currently pending.

(iii) PKTCL filed a tariff petition for section of 2 X 400 kV S/C Parbati-II to Koldam Transmission Lines starting from Parbati-II HEP to LILO point of Banala Pooling Station; Ckt-I, and from Parbati-II HEP to LILO point of Parbati-III HEP; Ckt-II. CERC issued a provisional tariff order dated December 30, 2015 granting 80% tariff of the annual fixed charges claimed in respect of the transmission system to be recovered from the date of actual power flow. CERC vide order dated December 29, 2016 ("**Order**") issued a final order in the aforesaid tariff petition allowing 100% project cost with no time and cost overrun in the project. However, CERC considered the project commissioned from the date of actual power flow November 3, 2015 and allowed recovery of both provisional as well as final tariff with effect from November 3, 2015. In addition, CERC directed PKTCL to recover IDC and IEDC from NHPC Limited considering that Parbati-II HEP was not ready. PKTCL filed review petition against order issued by CERC claiming complete transmission charges from the date of readiness of transmission line elements to date of charging/ power flow in the transmission lines. In this regard, NHPC also filed a review petition against the Order. The petition was clubbed with ongoing petitions of similar nature involving associated LILO transmission line elements in the region. The review petitions were disposed of vide order dated December 12, 2018 passed by CERC. The matter is currently pending.

Criminal matters

(i) Kala Ram approached Chief Justice Court, Bilaspur ("**CJ Court**") under section 156(3) of CrPC and filed an application for registration of FIR against PKTCL under section 120B, 145, 351, 464, 452, 283, 271, 341, 379, 392, 506, 147, 148 and 166 of IPC in Police Station, Barmana. Investigation carried out by the Police Station, Barmana and a cancellation report was filed on April 18, 2015. Post this the complainant approached the CJ Court for re-investigation of the case by Police Station, Barmana. This matter is currently pending.

(ii) Certain individuals lodged a complaint with Police Station, Bilaspur under various provisions of CrPC. The individuals further approached the Judicial Magistrate, District Court Bilaspur under section 156(3) of CrPC seeking direction from the relevant police stations for registration of FIR against PKTCL and others ("**Petitioners**"). The relevant police stations filed FIRs under sections 120-B, 145, 156, 409, 351, 464, 467, 468, 471, 405, 410, 415, 416, 417, 422, 420, 452, 283, 271, 341, 379, 392, 395, 399, 506, 147, 148 and 166 of the IPC, section 15 of Environment (Protection Act), 1986 and section 41 and 42 of Indian Forest Act, 1927. The Petitioners approached High Court of Himachal Pradesh, Shimla ("**High Court**") under section 482 of CrPC for quashing the FIR. The High Court vide its order dated May 16, 2019 ("**Orde**r") upheld the directions of Judicial Magistrate ordering registration of FIR against the Petitioners. The Petitioners approached Supreme Court of India and have filed three special leave petitions against the Order. These matters are currently pending.

(iii) An FIR was lodged by Khub Ram and others ("**Complainants**") against PKTCL and others in which the Complainants have alleged forcible construction of a transmission line, use of force by certain officials of PKTCL and illegal cutting of trees in the area of Complainants. The matter is currently pending.

(iv) An FIR was lodged by Gurpreet and others ("**Complainants**") against certain employees of PKTCL alleging, among others, forcible construction of high voltage transmission line towers over the residential houses, cowsheds and land of the Complainants. The police station at Nalagarh, registered the FIR under sections, among others, 120-B, 145, 147, 379, 392 of the Indian Penal Code, 1860, certain provisions of the Environment Protection Act, 1986, the Indian Forest Act, 1927 and the Himachal Pradesh Land Preservation Act, 1978. The matter is currently pending.

D. **North-East Transmission Company Limited ("NTCL")**

Regulatory matters

(i) An income tax demand of approximately ₹ 0.005 million ("**Demand Amount**") is appearing on the income tax portal against NTCL. NTCL has been availing refunds from the income tax department without deduction of the Demand Amount by the Income Tax department.

(ii) A demand of ₹ 0.09 million for tax deduction at source and interest thereon is pending against NTCL in relation to the mismatched entries of TDS which has been deposited directly by POWERGRID. POWERGRID has filed the corrected statements on the relevant portal.

E. Teestavalley Power Transmission Limited ("TPTL")

Regulatory matters

(i) TPTL filed a tariff petition before the CERC for determination of the tariff for 400 kV D/C Teesta III – Rangpo Section up to LILO point at Rangpo for the period from Fiscal 2014 to Fiscal 2019, and approval of transmission tariff in the form of annual fixed cost ("**AFC**"). The order dated May 15, 2018 ("**Order 1**") was passed by CERC determining the AFC for circuits #2 and #1(a). Subsequently, TPTL filed an appeal against Order 1 before APTEL in relation to certain disallowances including the cost of design and engineering' disallowance of increase in cost of erection, stringing and civil works' including foundation amounting and also the arbitrary treatment of IEDC. The delay in filing the appeal was condoned by APTEL vide order dated November 29, 2018. Subsequently, on October 23, 2019, APTEL closed the right of the respondents to submit a reply to the appeal and on February 27, 2020, the parties were granted liberty to file the written submissions. The matter is currently pending.

(ii) PGCIL filed a tariff petition before the CERC for determination of transmission tariff for Loop-in & Loop Out of one Circuit of 400 kV D/C Teesta III HEP – Kishanganj transmission line at Rangpo sub-station belonging to PGCIL. In CERC's order dated September 5, 2018 ("**Order**"), CERC imposed IDC and incidental expenditure during construction IEDC for the period from March 11, 2016 to November 25, 2016 on TPTL and TUL in the ratio of 50:50. TPTL filed an appeal against the Order on grounds, *inter alia*, non-consideration of fact that CERC has condoned the period of delay up to June 30, 2016 in construction of Circuit-#2 and Circuit-#1(a) of Teesta-III – Rangpo Section of 400 kV D/C Teesta III – Kishanganj Line, and absence of any implementation agreement between TPTL and PGCIL. The matter is currently pending.

(iii) TPTL filed a tariff petition dated September 4, 2018 before CERC for determination of tariff for 22 km Circuit #1(b) of 400 KV D/C Teesta-III HEP-Kishanganj transmission line. CERC, vide its order dated March 14, 2019, determined the interim tariff taking into consideration, the detailed project report and passed a revised interim order dated April 30, 2019. Subsequently, CERC passed a final order dated January 22, 2020 ("**Order**"), allowing the annual fixed costs of the asset at ₹ 129.99 million for Fiscal 2014-2019. TPTL has filed a review petition challenging the Order on the grounds that there was an inadvertent error in the calculation of capital cost in the Order. The matter is currently pending.

(iv) An appeal has been filed by Teesta Urja Limited ("**Appellant**") before APTEL challenging the order dated March 19, 2019 passed by CERC pursuant to which CERC disposed off the petition filed by the Appellant and held that TPTL had informed the Appellant vide letters dated January 10, 2019 and March 14, 2019 on commissioning of Kishanganj – Teesta III line up to Rangpo and 2nd circuit of Rangpo – Kishanganj transmission line. The matter is currently pending.

F. POWERGRID Vemagiri Transmission Limited ("VTL")

(i) POWERGRID has filed an appeal challenging the order dated April 6, 2015 ("**CERC Order**") passed by CERC pursuant to which CERC directed that 80% of the acquisition price incurred for acquisition of VTL shall be reimbursed by Samalkot Power Limited ("**SPL**") and Spectrum Power Generation Limited ("**SPGL**") to POWERGRID in proportion to the long-term access granted to these entities and the balance 20% and the expenditure incurred shall be borne by POWERGRID. POWERGRID has claimed reimbursement of entire cost of acquisition of VTL amounting to ₹ 182.79 million as well as additional expenditure of ₹ 84.30 million incurred from the date of acquisition and interest thereon. Subsequently, appeals were filed by SPL and SPGL as well. The matters are currently pending.

G. **POWERGRID NM Transmission Limited** ("**PNMTL**")

(i) A petition has been filed by PNMTL for approval of methodology for apportionment of transmission charges between two transmission lines, namely, Nagapattinam-Salem transmission line and Salem – Madhugiri transmission line and payment of transmission charges for the Nagapattinam – Salem transmission line from the date of commercial operation, being October 23, 2016. CERC, vide its order dated March 26, 2018 has refused to approve the methodology for apportionment. The matter is currently pending.

(ii) A petition has been filed by PNMTL against IL&FS Tamil Nadu Power Company Limited before CERC for condoning time over run of 1133 days and increase in transmission tariff due to cost increment on account of force majeure and change in law events in terms of the transmission service agreement. The matter is currently pending.

H. POWERGRID Southern Interconnector Transmission System Limited ("SITSL")

(i) A petition been filed by POWERGRID Southern Interconnector Transmission System Limited against Southern Power Distribution Company of Andhra Pradesh Limited and others, for invoking the force majeure and change in law events under articles 11 and 12 of the transmission service agreement executed by SITSL and condoning the time overrun of 289 days. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

IV. Litigation involving the Sponsor and Project Manager

Criminal matters

(i) A complaint has been filed under, amongst others, section 10(1)(a) of the Equal Remuneration Act, 1976 and Central Rules, 1976, by the State of Maharashtra represented through Sunil Gautam, Labour Enforcement Officer (Central) ("**Complainant**") before the Judicial Magistrate First Class, Panvel ("**JMFC**") against POWERGRID, represented through its Assistant General Manager ("**Accused**"), in relation to the alleged non-maintenance of the register in Form 'D' and the alleged failure of the Accused to reply to an inspection report cum show cause notice in this regard. The Complainant has prayed for, among others, the taking of cognizance of the offence under section 10(1)(a) of the Equal Remuneration Act, 1976.

The Complainant has also filed another complaint before the JMFC in relation to certain irregularities under the Contract Labour (Regulation & Abolition) Act, 1970 and the Contract Labour (Regulation & Abolition) Central Rules, 1971 detected during the course of inspection at the establishment of POWERGRID in Panvel, The alleged irregularities include non-intimation of particulars specified in the certificate of registration, failure to intimate commencement / completion and lapses by contractor in payment of wages, not maintaining the requisite registers and non-display of notices in conspicuous places at the establishment. These matters are currently pending.

(ii) POWERGRID has filed a writ petition ("**Writ Petition**") before the High Court of Bombay challenging the criminal complaint ("**Complaint**") registered by Kishore Dattatray Khaire, which has been filed against POWERGRID and certain of its officials, in relation to alleged violations of the Maharashtra Private Security Guards (Regulation of Employment and Welfare) Act, 1981 and the Maharashtra Private Security Guard Scheme, 2012. The Complaint was, however, disposed of by Judicial Magistrate of First Class, vide order dated January 18, 2020. In the Writ Petition, POWERGRID has, amongst others, prayed for a direction for the stay of the proceedings pursuant to the Complaint and for an order that the Complaint is not maintainable. The matter is currently pending.

(iii) A criminal complaint ("**Complaint**") has been filed by the State of Chhattisgarh against Ramesh Mahli, one of the officials of POWERGRID ("**Accused**"), before the Judicial Magistrate First Class, Gharghoda. The Complaint stated that one of the workers at the 765 kV Ranchi-Korba transmission line succumbed to his injuries after a tree fell on his head. The Complaint alleged that the Accused was guilty of causing death by negligence due to his failure to provide the adequate safety equipment to the workers. The matter is currently pending.

(iv) A criminal case had been filed by POWERGRID against Khushboo and others before the Civil Court, Itarsi, Hoshangabad, in relation to the theft of equipment related to emergency restoration systems ("**ERS**") for the 400 kV sub-station at Itarsi. The concerned ERS equipment has been recovered by POWERGRID and the matter is currently pending.

(v) A criminal revision application has been filed before the High Court of Madhya Pradesh by Prafulla Kumar Jaiswal ("**Applicant**"), one of the officials of POWERGRID, against the State of Madhya Pradesh. A first information report had been registered against the Applicant by two journalists who alleged that they were abused and threatened by the Applicant when they visited the site of installation and erection of a high tension power line to cover the difficulties faced by the local villagers. Further, pursuant to order dated August 10, 2016 ("**Order**"), the Judicial Magistrate First Class, Uchchera had framed charges against the Applicant under sections 294 and 506 Part II of the Indian Penal Code. The Applicant has prayed for, among others, the setting aside of the Order. The matter is currently pending.

(vi) POWERGRID has filed a first information report ("**FIR**") against Pankaj Prasad Pandey and others ("**Accused**"), in relation to the alleged offences under Sections 353, 332, 294 and 506-B of the Indian Penal Code, 1860.

Subsequently, the Accused has filed a miscellaneous criminal case for quashing the FIR before the High Court of Madhya Pradesh. The matter is currently pending.

(vii) P. Rajendran and others ("**Petitioners**") have filed a criminal original petition before the High Court of Madras against the Director General of Police, Tamil Nadu Police Head Quarters, Chennai and others, including POWERGRID ("**Respondents**"), in relation to the "800 kV Raigarh (HVDC Station) – Pugalur (HVDC Station) HCDC Bipole Link with MX capacity" transmission line of POWERGRID ("**Raigarh Transmision Line**") contending that officials of POWERGRID, along with the police officials of Respondents, have entered into the lands of Petitioners without any proper order or authority and threatened the Petitioners. The Petitioners have prayed for a direction to forbear the Respondents from providing police protection to the officials of POWERGRID and certain revenue officials in relation to the implementation of the Raigarh Transmission Line unless such officials obtain enter-upon permission under the provisions of the Indian Telegraph Act, 1885 or Works of Licensees Rules, 2006, as the case may be. The matter is currently pending.

(viii) Easan and others ("**Petitioners**") have filed a criminal original petition before the High Court of Madras against the Inspector of Police, Nangavalli and others, including POWERGRID. The Petitioners had been charged with, among others, rioting, assault and criminal intimidation, in a criminal case (the "**First Case**") registered at the Nangavalli Police Station. The Petitioners have prayed for the calling of the records of the First Case and for quashing of the same.

The Petitioners had also been charged with similar offences in another case ("**Second Case**") before the Perumbalai Police Station, which the Petitioners have challenged by way of another criminal original petition filed before the High Court of Madras, wherein similar reliefs have been prayed for. The High Court of Madras has, pursuant to orders dated January 30, 2019 and February 1, 2019, granted an interim stay on the investigation of the First Case and the Second Case respectively. The matter is currently pending.

(ix) POWERGRID has registered a first information report against Ravi Agarwal ("**Accused**") in relation to alleged suppression of information by the Accused and allegedly cheating POWERGRID to the tune of ₹ 8.14 million, which resulted in a criminal case against the Accused ("**Criminal Case**"). In a connected matter ("**Recovery Case**") filed by POWERGRID against the Accused, the Accused has been directed to pay the amount of ₹ 8.14 million with interest to POWERGRID. The Criminal Case and the Recovery Case are currently pending.

(x) A letter dated August 23, 2017 was issued by the Assistant Sub-Inspector at Khedipul police station, Faridabad, against POWERGRID in relation to the fault in the 220 kV Power FG PP Line resulting in electrocution of certain individuals. Subsequently, a first information report was lodged against POWERGRID and POWERGRID, in its response dated November 25, 2017, clarified, among others, that the monitoring of transmission lines takes place quarterly and there were no faults in the transmission line pursuant to the survey undertaken on May 20, 2017. The matter is currently pending.

(xi) A first information report has been filed by Chatar Singh against Chandan Singh, M.T. Khan and Alok Kumar Sharma, an official of POWERGRID, ("**Accused**") under Sections 323 and 504 of the Indian Penal Code, 1860 for alleged threats. Subsequently, a criminal case was also filed by the State of Uttarakhand against the Accused. Pursuant to the criminal case, Alok Kumar Sharma, in his capacity as Additional General Manager of POWERGRID, filed a criminal miscellaneous application before the High Court of Uttarakhand at Nainital ("**Uttarakhand High Court**") for staying the proceedings. The Uttarakhand High Court, vide order dated January 12, 2017, has stayed the proceedings pending before the Court of Judicial Magistrate, Narendra Nagar, Tehri Garhwal. The matter is currently pending.

(xii) A criminal case has been filed by Hari Ram Yadav ("**Complainant**") against certain officers of POWERGRID before the Chief Judicial Magistrate, Azamgarh, for alleged threats and failure to comply with the commitment of ₹ 4.80 million payable by POWERGRID to the Complainant as land compensation pursuant to the letter dated February 24, 2012 issued by POWERGRID. POWERGRID, vide its reply dated March 21, 2012, has withdrawn the letter dated February 24, 2012. The matter is currently pending.

(xiii) The Office of the Labour Enforcement Officer has filed a criminal case against POWERGRID before the Chief Judicial Magistrate, Gorakhpur, alleging that POWERGRID has failed to maintain wage registers in Form B under the provisions of the Equal Remuneration Act, 1976 and the rules thereunder. POWERGRID, in its reply dated July 17, 2019 has clarified that the details of workers of POWERGRID are available on the Employee Self Service which can be reviewed by the workers and there is no provision to maintain registers in Form B at the site offices of POWERGRID. The matter is currently pending.

(xiv) A first information report was lodged by K.L. Shah (on behalf of POWERGRID) under Section 379 of the Indian

Penal Code, 1860 for theft of certain materials from the transmission line at Lucknow. The accused have been arrested and the materials have been recovered. The matter is currently pending.

(xv) A complaint has been filed against Sushil Kumar Rai, Chief Manager (ROCC), POWERGRID, ("**Chief Manager**") by the Labour Enforcement Officer (Central), Patna-II, before Chief Judicial Magistrate, Patna, ("**CJM Patna**") under Section 24 of the Contract Labour (Regulation & Abolition) Act, 1970, for failing to intimate the date of commencement/completion in respect of the contractors engaged within the stipulated time period of completion of work. Pursuant to the complaint, an order dated March 18, 2016 was passed by CJM Patna taking cognizance of the said complaint ("**Order**"). Pursuant to the Order, a criminal revision petition ("**Petition**") was filed by the Chief Manager before the Court of Sessions Judge, Patna. However, through an order dated April 19, 2017, the Petition was dismissed by the Court of Sessions Judge. The matter is currently pending.

(xvi) POWERGRID has lodged a first information report on September 29, 2013 against, amongst others, Chitranjan Singh before Jakkanpur Police Station, Patna for occupying and using the quarter number B-1/02 in the POWERGRID township located at Patna for personal purposes and also using criminal force against certain officers of POWERGRID. The matter is currently pending.

(xvii) A complaint was filed by a resident of the village, Muradpur Bangra ("**Complainant**") against the chief manager and manager of POWERGRID in relation to laying of a transmission line over a particular parcel of land in the village. Subsequently, POWERGRID filed a criminal miscellaneous petition before the High Court of Judicature at Patna ("**Patna High Court**") against the Complainant. The Patna High Court issued a stay order on the complaint filed by the Complainant by its order dated May 23, 2018. The matter is currently pending.

(xviii) A complaint has been filed by Ranjeet Kumar ("**Complainant**") against certain officers of POWERGRID before the Court of Judicial Magistrate, First Class, in relation to the construction of a transmission line crossing the district Samastipur in Patna. The Complainant has alleged that he was subjected to verbal abuse and threats to withdraw the writ petition filed by him before the higher authorities. The Patna High Court has, vide order dated May 23, 2018, stayed the proceedings pending before the Court of Judicial Magistrate, First Class. The matter is currently pending.

(xix) A first information report was lodged by Safia Begum ("**Complainant**") against certain officers of POWERGRID at Bhakti Nagar police station, Jalpaiguri on April 13, 2014 under sections 323, 354B and 447 of the Indian Penal Code, 1860. The Complainant alleged use of criminal force by the officers of POWERGRID while laying down high voltage electric wires on the piece of land belonging to the Complainant. The matter is currently pending.

(xx) A criminal case has been filed by the officer in-charge, Police Station, Silchar, against certain officers of POWERGRID under sections 379 and 34 of the Indian Penal Code, 1860 in relation to 400 kV D/C Silchar Imphal Transmission Line under the Pallatana project before the Sub-Divisional Judicial Magistrate, Lakhipur. A petition was filed by POWERGRID before the Guwahati High Court and the Guwahati High Court through an order dated November 3, 2019, suspended the proceedings of the case pending before the Sub-Divisional Judicial Magistrate, Lakhipur. The matter is currently pending.

(xxi) POWERGRID has filed a criminal case before Sub-Divisional Judicial Magistrate, Barpeta District, Assam, against certain individuals for threatening the officials of POWERGRID, forcibly taking away certain materials and causing obstructions in the work of the Government during the process of cleaning trees and bamboo bush in the line corridor of LOC No. 599-598 of 800KV HVDC Biswanath Chariali to Agra transmission line. The matter is currently pending.

(xxii) A criminal case has been filed by Dual Swargiary against certain officials of POWERGRID before the Chief Judicial Magistrate, Sonitpur, Assam, under sections 420 and 427 of the Indian Penal Code, 1860 in relation to the land compensation payable to him and cutting of trees in the line corridor of 400 kV D/C Kameng Balipara transmission line. The matter is currently pending.

(xxiii) A criminal complaint has been filed by Department of Environment, Forests & Climate Change, Government of Nagaland, under Section 55 of the Wildlife (Protection) Act, 1972, against an official of POWERGRID in relation to electrocution of two adult female elephants by low hung high tension electric cable/line (220/132 kV) of the D/C Doyang-Dimapur transmission line. The matter is currently pending.

(xxiv) POWERGRID has filed a criminal case before Sub-Divisional Judicial Magistrate, Tamulpur Baska, Assam, against certain individuals for obstructing the work carried out on 800kV HVDC Biswanath Chariali to Agra transmission line and injuring the officials of POWERGRID. The matter is currently pending.

(xxv) An FIR was lodged against, among others, certain employees of POWERGRID, on account of occurrence of fault at span 274-275 of 400 KV D/C Kishenpur-New Wanpoh Ckt-3&4 transmission line at Chambal. Subsequently, a petition under section 482 of the Code of Criminal Procedure, 1973, was filed before the High court of Jammu and Kashmir seeking quashing of order dated September 10, 2020 passed by Judicial Magistrate 1st Class, Banihal and the FIR. The matter is currently pending.

(xxvi) An FIR was lodged by POWERGRID against certain individuals before the police station, Village Adduka, Nuh in relation to the theft of conductor at Bhiwadi-Aurangabad Earth Electrode Line. The matter is currently pending.

(xxvii) Shantabai Kalunke ("**Complainant**") has filed a criminal complaint ("**Complaint**") against James T. George and four other employees of POWERGRID before the Judicial Magistrate, First Class, Ambajogai, in relation to alleged offences committed by these employees under section 3(1)(G) of the Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 read with sections 354, 323, 504, 506 and 34 of the Indian Penal Code, 1860 and threatening the Complainant during the construction of certain towers near Complainant's house. The matter is currently pending.

Regulatory matters

(i) A notice dated November 30, 2012 was issued to POWERGRID by East Delhi Municipal Corporation ("**EDMC**") ("**Notice**") alleging non-submission of property tax returns for the period between April 1, 2004 and March 31, 2013, under the relevant provisions of the Delhi Municipal Corporation Act, 1957 and other related property laws. Pursuant to the Notice, assessment orders dated February 2, 2013, February 25, 2015 and November 16, 2018 ("**Assessment Orders**") were passed by EDMC against POWERGRID for taxing certain electricity transmission towers of POWERGRID as buildings. POWERGRID filed three separate writ petitions before the High Court of Delhi ("**Delhi High Court**") challenging the Assessment Orders and contended that taxing of transmission towers did not fall within the ambit of the Delhi Municipal Corporation Act, 1957. The Delhi High Court, through a common order dated April 4, 2018, ("**Common Order**") allowed the writ petitions and set aside the Assessment Orders issued by EDMC. EDMC has filed three separate appeals against the Common Order. The matter is currently pending.

(ii) A notice dated May 30, 2017 was issued by the Estate Officer, Haryana Shehri Vikas Pradhikaran ("**HSVP**"), Faridabad, ("**Notice**") in relation to the non-completion of the group housing project located at Site no.1, Sector 21D, Faridabad, directing POWERGRID to pay an amount of ₹ 931.23 million on account of enhancement, extension fee and service tax on extension fee. Aggrieved by the Notice, POWERGRID filed a writ petition against, amongst others, HSVP, before the High Court of Punjab and Haryana at Chandigarh ("**Punjab and Haryana High Court**"). The Punjab and Haryana High Court, through an order dated, July 4, 2018, ("**High Court Order**") disposed of the writ petition and directed HSVP to consider the grievance of POWERGRID by constituting a multi-member committee and pass a reasoned order after hearing the representative of POWERGRID within three months from the date of the High Court Order. However, as HSVP did not arrive at a decision on the matter with the time period stipulated by the Punjab and Haryana High Court, POWERGRID filed a writ petition in the Punjab and Haryana High Court against HSVP. The matter is currently pending.

(iii) A petition was filed by Archana Dubey ("**Petitioner**") against POWERGRID before Uttar Pradesh Electricity Regulatory Commission ("**UPERC**") challenging the order dated March 5, 2019, passed by the District Magistrate rejecting the claim of the Petitioner to stop diversion of a transmission line laid down by POWERGRID. UPERC passed an order dated September 11, 2019 ("**UPERC Order**") and constituted a committee to investigate whether the route of the transmission line laid down by POWERGRID was violative of Section 67 of the Electricity Act, 2003.

Subsequently, an appeal was preferred by POWERGRID before the Appellate Tribunal for Electricity, New Delhi, ("**APTEL**") contending, among others, constitution of the committee and that the landowners cannot raise objection to installation of transmission towers in terms of Section 10(1)(d) read with Section 16(3) of the Indian Telegraph Act, 1885. Through an order dated February 5, 2020, APTEL directed UPERC not to proceed with the UPERC Order until further orders. The matter is currently pending.

(iv) A writ petition was filed by, amongst others, POWERGRID's Power Transmission Employees and Workers Union before the High Court at Calcutta ("**Writ Petition**") against the Union of India in relation to the memo and circular, each dated December 21, 2001, on valuation of perquisites under the provisions of the Income Tax Act, 1961 ("**IT Act**"). The Writ Petition challenged the validity of sub-clause (vi) of section 17(2) of the IT Act, introduced by Finance Act, 2007 with retrospective effect from April 1, 2002, and the consequential Rule 3 of the Income Tax Rules, 1962, framed by the Central Board of Direct Taxes through a notification dated September 25, 2001 which provided for payment of tax by employees of POWERGRID for, among others, their house, quarter, city compensatory allowance and family planning incentive. The matter is currently pending.

(v) A writ petition was filed by POWERGRID's Power Transmission Employees and Workers Union and others ("**Writ Petition**") before the Hon'ble High Court at Calcutta (**"Calcutta High Court**") against Union of India and others in relation to a letter dated December 13, 2002 issued by the Income Tax officer, Ward No.1, Dhenkanal ("**ITO Order**") directing the officials of POWERGRID to deposit the tax deducted at source ("**TDS**") deducted into the government account. The gazette notification dated September 25, 2001 issued by the Central Board of Direct Taxes, ("**CBDT Notification**") provided for the valuation of perquisites to be considered for deduction of TDS from salaries. Pursuant to the CBDT Notification and the order dated March 21, 2002, POWERGRID was directed to keep the amount deducted as TDS in a separate bank account. An interlocutory application in relation to the Writ Petition was filed by POWERGRID and others, praying for, among others, allowing POWERGRID to keep the TDS deducted in a separate bank account and that POWERGRID be permitted to refund the balance amount on housing perquisites and restraining the income tax authorities from taking any action against imposition of cost, interest or penalty. The Calcutta High Court, through an order dated February 14, 2012, disposed of the interlocutory application by allowing POWERGRID to deposit the TDS deducted in a separate bank account with the income tax authorities and permitted the refund of balance amount on housing perquisites. The matter is currently pending.

(vi) A petition has been filed by Saiful Islam against POWERGRID before the National Green Tribunal, Eastern Bench, Kolkata, praying for closure of Rajarhat sub-station on account of usage of SF6 gas which is hazardous to human beings and the environment. The matter is currently pending.

(vii) POWERGRID has filed a writ petition against, amongst others, the State of Chhattisgarh before the High Court of Chhattisgarh (the "**Writ Petition**") in relation to the notifications issued by the Commercial Tax Department, Government of Chhattisgarh dated July 26, 2011 and the consequent assessment order issued by the Commercial Taxation Officer, Durg dated January 30, 2017 (the "**Assessment Order**"). The Commercial Taxation Officer, Durg had pursuant to the Assessment Order in respect of assessment year 2012-13, levied an additional demand of ₹ 472.57 million in respect of conductors under Schedule II of the Chhattisgarh Entry Tax Act, 1976. POWERGRID has, pursuant to the Writ Petition, challenged the Assessment Order on the grounds, among others, that the levying of additional demand is arbitrary and violative of Article 304(a) of the Constitution of India. The High Court of Chhattisgarh has, pursuant to order dated September 8, 2017, prohibited recovery proceedings from being finally enforced through any distress action in any manner until further orders. The matter is currently pending.

(viii) POWERGRID has filed writ petitions against the State of Chhattisgarh before the High Court of Chhattisgarh. The Assistant Commercial Taxation Officer, Durg had, pursuant to orders dated April 12, 2018, ("**Orders**") ordered reassessment of the Form VIII filed by POWERGRID for the assessment years 2011-12, 2013-14 and 2014-15, and demanded an aggregate amount of ₹ 864.38 million as additional tax and penalty. POWERGRID has, by way of the writ petitions, challenged the Orders on the grounds, among others, that they are illegal and without jurisdiction. The Hon'ble Appellate Authority has, pursuant to an order dated August 13, 2018, stayed the recovery of the demanded additional amount, subject to POWERGRID depositing 50% of the said amount, which amount has been deposited by POWERGRID within the prescribed time. The matters are currently pending.

(ix) An application for relief and compensation has been filed by Sama Siddiq Usman against POWERGRID before the National Green Tribunal, Western Zone Bench, Pune (the "**Application**") claiming, among others, that POWERGRID is liable to pay compensation for the loss caused to the source of livelihood of certain families resulting into permanent reduction and loss of fisheries and other marine resources in the villages of Cheravadi and Surajbari due to laying of transmission lines from '4000 MW Mundra Ultra Mega Power Project' of POWERGRID. The matter is currently pending.

(x) Two interlocutory petitions were filed by the insolvency resolution professional of KSK Mahanadi Power Company Limited against POWERGRID before the National Company Law Tribunal, Hyderabad, in relation to the termination of transmission service agreement dated December 5, 2012 during the corporate insolvency resolution process. The matter is currently pending.

(xi) A petition was filed by Lanco Amarkantak Power Limited against POWERGRID before the National Company Law Tribunal, Hyderabad, seeking an interim order restraining POWERGRID and Western Regional Load Despatch Centre from taking any adverse action including regulating the power supply. The matter is currently pending.

(xii) A petition was filed by DB Power Limited ("**DBPL**") against POWERGRID before CERC, for adjudication of dispute in relation to the bills raised on quarterly basis by POWERGRID allegedly in contravention of Regulation 11 of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulation, 2010. DBPL has prayed for, among others, the refund of monthly PoC charges paid under the bills raised, offset of charges billed. The matter is currently pending.

(xiii) A petition was filed by POWERGRID against, amongst others, NHPC Limited, before CERC, in compliance with the directions issued by CERC vide order dated May 10, 2019 for filing of fresh petition to determine the issue of sharing of transmission charges for the transmission system for power evacuation from the 70 MW hydro power plant located at Budhil Village, Chamba District, Himachal Pradesh for the period between November 1, 2011 and May 24, 2012. The matter is currently pending.

(xiv) Three petitions were filed by Himachal Pradesh State Electricity Board Limited, Punjab State Power Corporation Limited and Rajasthan Urja Vikas Nigam Limited against POWERGRID (collectively, the "**Petitioners**") before CERC for obtaining certain refunds from POWERGRID. The Petitioners contended that the amounts were wrongly recovered by POWERGRID under PoC charges for the inter-state transmission system lines operated and maintained by Bhakra Beas Management Board. The matters are currently pending.

(xv) A petition was filed by Haryana Power Purchase Centre ("**HPPC**") against POWERGRID before CERC for obtaining certain refunds from POWERGRID. HPPC contended that the amounts were wrongly recovered by POWERGRID under PoC charges. The matter is currently pending.

(xvi) A petition was filed by Essar Power MP Limited ("**EPMPL**") against POWERGRID before CERC, for adjudication of dispute in relation to the quarterly bills raised by POWERGRID. EPMPL contended that the bill raised by POWERGRID was in contravention of Regulation 11 of the Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulation, 2010. The matter is currently pending.

(xvii) A petition was filed by Lanco Amarkantak Power Limited against POWERGRID before CERC, praying for setting aside the communication dated June 27, 2018 issued by POWERGRID to the Oriental Bank of Commerce for encashment of bank guarantee given by Lanco Amarkantak Power Limited. The matter is currently pending.

(xviii) A petition was filed by Haryana Power Purchase Centre ("**HPPC**") against POWERGRID before CERC, for declaration and direction as to the status of the 400kV D/C transmission line from Indira Gandhi Super Thermal Power Station to Daulatabad ("**Transmission Line**"), owned and operated by Haryana Vidyut Prasaran Nigam Limited. CERC, vide order dated May 4, 2018 ("**CERC Order**") directed that the Transmission Line and corresponding LTA are not part of the PoC mechanism of sharing of transmission charges. HPPC contested the CERC order before APTEL and APTEL has remanded the matter to CERC for re-examination. The matter is currently pending.

(xix) A petition was filed by KSK Mahanadi Power Company Limited against POWERGRID before CERC for setting aside the bill dated January 1, 2020 raised by POWERGRID towards transmission charges (both POC and HVDC) and the notice for regulation of power supply dated January 3, 2020. The matter is currently pending.

(xx) A petition was filed by Kudgi Transmission Limited ("**KTL**") against POWERGRID before CERC praying for the payment of transmission tariff (along with interest at 24% per annum) between the date of commissioning and date of charging of certain elements of the transmission assets of KTL. The matter is currently pending.

(xxi) An appeal has been filed by POWERGRID against, amongst others, CERC, before APTEL in relation to order dated September 1, 2015, passed by CERC disallowing condonation of delay of three and six months regarding determination of annual fees and charges for fibre optic communication system in lieu of existing unified load despatch and communication microwave links in the northern region for Asset-II (1,628.97 kms of fibre optic communication system) and Asset-III (493.06 kms of fibre optic communication system respectively by CERC. The delay in implementation of Asset-II and Asset-III was caused due to late confirmation by UP Power Transmission Corporation Limited for its participation in the project. POWERGRID further contended that the delay was caused due to heavy foggy conditions during the installation of optical ground wires for Asset-II and Asset-III. The matter is currently pending.

(xxii) An appeal has been filed by POWERGRID against, amongst others, CERC, before APTEL in relation to the transmission charges amounting to ₹ 20.70 million to be paid by POWERGRID to Kudgi Transmission Limited pursuant to the directions issued by CERC. POWERGRID has denied the liability of payment of the aforesaid transmission charges by contending that the scope of work of POWERGRID was only with respect to construction of associated bays. The matter is currently pending.

(xxiii) A petition has been filed by Sprng Renewable Energy Private Limited ("**Petitioner**") before CERC challenging the default notice issued by POWERGRID for payment of transmission charges. The Petitioner has prayed for relief to be granted pursuant to change in law and force majeure events impacting the implementation of project and resolving the conflict between scheduled commercial operations date under the power purchase agreement and date of operationalisation of connectivity and long term access. The matter is currently pending.

(xxiv) An appeal has been filed by POWERGRID before APTEL in relation to the order dated November 5, 2018 passed by CERC ("**CERC Order**") disallowing the condonation of delay in commissioning of LILO of Vindhyachal-Jabalpur 400 kV 2nd D/C line at 400/220 kV Rewa pooling station for the period between March 15, 2017 and July

5, 2018 and amounts pertaining to interest during construction and incidental expenses during construction for the period between January 15, 2016 and March 15, 2017 respectively. Further, the CERC Order directed POWERGRID to file a fresh petition for determination of tariff of 220 kV line bays at 400/220 kV Rewa pooling station on its actual commercial operations date. Subsequently, POWERGRID filed a review petition against the CERC Order which was dismissed by CERC vide order dated May 31, 2019. The matter is currently pending.

(xxv) POWERGRID filed two review petitions ("**Review Petitions**") against orders dated June 21, 2018 and June 22, 2018, each passed by CERC restricting the capitalization of initial spares at 4% instead of 6%, as provided under Regulation 13(d)(iv) of Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The Review Petitions have been dismissed by CERC vide order dated January 23, 2019 ("**CERC Order**"). Subsequently, POWERGRID has filed an appeal before APTEL challenging the CERC Order. The matter is currently pending.

(xxvi) A petition has been filed by POWERGRID against GRIDCO Limited and others for directions from Orissa Electricity Regulatory Commission to fix tariff for consumption of auxiliary power through tertiary transformer located at sub stations. The matter is currently pending.

(xxvii) An appeal has been filed by POWERGRID before APTEL against an order passed by CERC partly allowing condonation of time overrun in commissioning of certain transmission assets caused due to circumstances beyond the control of POWERGRID such as unprecedented flood situation and certain issues with respect to acquisition of land. POWERGRID has contended in the appeal that there was substantial reduction of IDC and IEDC to the tune of ₹ 67.77 million for the periods not condoned by CERC. The matter is currently pending.

(xxviii) POWERGRID has filed an appeal before APTEL against order passed by CERC ("**CERC Order**") allowing extension of commercial operations date by 274 days and 71 days of two transmission lines from the date of their scheduled commercial operations date pursuant to force majeure and change in law. The CERC Order, among others, imposed the expenditure incurred by Purulia & Kharagpur Transmission Company Limited for interim arrangement due to termination of first element on POWERGRID on account of non-readiness of bays and sub-station covered under the scope of POWERGRID. The matter is currently pending.

(xxix) POWERGRID has filed an appeal before the Appellate Tribunal for Electricity against an order passed by CERC refusing to condone a time overrun of 62 days in the implementation and commissioning of the 765 kV Indore-Vadodara transmission line to be developed as an interim contingency and also disallowing the IDC and IEDC for an amount of ₹ 28.05 million and 0.11 million respectively. The matter is currently pending.

(xxx) POWERGRID has filed an appeal against the order dated May 28, 2018 passed by CERC ("**CERC Order**") before the Appellate Tribunal for Electricity. The CERC Order allowed carrying cost of dismantled insulators and rejected POWERGRID's prayer to grant compensation for loss on damaged insulators. The matter is currently pending.

(xxxi) POWERGRID has filed an appeal before APTEL against the order passed by CERC pursuant to which CERC disallowed the transmission charges of ₹ 75.99 million and restricted the claim of incidental expenses during the construction period made by POWERGRID to 5% for the transmission system associated with Pallatana GBPP and Bongaigaon TPS" for tariff block 2014-2019 in the North Eastern Region. The matter is currently pending.

(xxxii) POWERGRID has filed an appeal before APTEL against the order passed by CERC restricting the claim of incidental expenses during the construction period made by POWERGRID to 2.95% of the hard cost even after condoning the time overrun in the execution of the transmission asset and disallowing the transmission charges of ₹ 22.06 million in relation to certain transmission projects. The matter is currently pending.

(xxxiii) An appeal was filed by Himachal Sorong Private Limited ("**HSPL**") against CERC and others, including POWERGRID, before APTEL against the order passed by CERC rejecting the claims of force majeure in commissioning of generating units of HSPL. Pursuant to a petition filed by POWERGRID, CERC directed HSPL to pay all the transmission charges along with the applicable surcharge. The matter is currently pending.

(xxxiv) An appeal has been filed by POWERGRID before APTEL against CERC and others challenging the order dated October 1, 2019 passed by CERC ("**CERC Order**") pursuant to which CERC restricted the claim of incidental expenses to 10.75% of the hard cost during construction of the transmission line at 'Western Region System Strengthening Scheme' even after CERC had condoned the time overrun in the execution of the transmission assets. POWERGRID had contended, among others, that CERC had condoned the time overrun ranging from 53 months 13 days to 87 months 6 day in case of all the transmission assets and permitted capitalization of IDC and IEDC of all the transmission assets and that CERC while passing the CERC Order did not consider that IEDC is proportional to time and projects having longer time estimates have higher IEDC estimates. The matter is currently pending.

(xxxv) An appeal has been filed by Madhya Pradesh Power Corporation Limited against the order dated January 1, 2013 passed by CERC ("**CERC Order**") before APTEL in relation to the cost incurred by POWERGRID due to revision of pay of executives for the period between January 1, 2007 and March 31, 2009. The CERC Order provided for recovery of pay revision from the beneficiaries with effect from January 1, 2007. The matter is currently pending.

(xxxvi) An appeal has been filed by TANGEDCO against certain parts of the order dated February 2, 2016 passed by CERC ("**CERC Order**") before APTEL. The CERC Order was passed pursuant to a petition filed by POWERGRID before CERC in relation to delay in commissioning of Nellore PS-Kurnool 765 kV D/C Line, 240 MVAR, 765 kV line reactor at Nellore end of one circuit and at Kurnool end both circuits under "Common System associated with the interstate generating station projects in Krishnapatnam area of Andhra Pradesh, due to, among others, delay in receipt of approvals from the forest department. The matter is currently pending.

(xxxvii) An appeal has been filed by TANGEDCO before APTEL against CERC and others, challenging the order dated June 30, 2016 passed by CERC, on the grounds, among others, consideration of the transmission system (400 kV Kapada-Kolar S/C Line at NP Kunta along with associated line bays and 500 MVA ICT along with its bays at NP Kunta Sub-Station and 2X500 MVA transformers 1X125 MVAR reactor along with associated bays at NP Kunta) as inter-state transmission line, inclusion of tariff to be shared by all the beneficiaries in the point of connection mechanism as per CERC Sharing Regulations. The matter is currently pending.

(xxxviii) An appeal has been filed by TANGEDCO against CERC and others before APTEL challenging the order dated November 27, 2015 passed by CERC ("**CERC Order**") pursuant to which CERC condoned the cost overrun on the part of POWERGRID to the tune of ₹ 111.13 million i.e. allowed escalation of 26.58% of the cost claimed by POWERGRID after obtaining the contract through bidding process. The CERC Order was passed pursuant to a petition filed by POWERGRID for approval of transmission tariff for Vallur TPS- Melakottaiyur 400 KV double circuit line under the supplementary transmission system in southern region for the period from commercial operations date till March 31, 2014 for the tariff period between 2009 and 2014. The matter is currently pending.

(xxxix) An appeal has been filed by TANGEDCO against CERC and others before APTEL challenging certain parts of the order dated July 29, 2016, passed by CERC ("**CERC Order**") pursuant to which loop-in and loop out of the circuits of Tuticorin JV – Madurai 400kV D/C (Quad) line at Tuticorin pooling station along with new 765 kV pooling station at Tuticorin (initially at 400 KV) including 1 x 80 MVAR, 400 KV Bus Reactor under `Transmission System associated with common system associated with Coastal Energen Private Limited and Ind-Bharat Power (Madras) Limited in southern region from the date of the commercial operations till March 31, 2019 under the CERC Tariff Regulations was decided. The matter is currently pending.

(xl) An appeal has been filed by Essar Power (Jharkhand) Limited ("**Appellant**") challenging the order dated July 29, 2016 passed by CERC before APTEL pursuant to which CERC held that Appellant was obligated to pay the transmission charges and the relinquishment charges, as applicable, in terms of the Bulk Power Transmission Agreement executed by the Appellant with POWERGRID. The matter is currently pending.

(xli) Jindal Power Limited ("**Appellant**") has filed an appeal before APTEL against the orders dated December 18, 2015 and February 8, 2017 passed by CERC ("**CERC Orders**") in relation to certain calculations for computing return of equity in the books of accounts of the Appellant and determination of tariff chargeable by the Appellant for its transmission systems in Financial Years 2012, 2013 and 2014. POWERGRID is a proforma party in the matter. The matter is currently pending.

(xlii) Jindal Power Limited ("**Appellant**") has filed an appeal before APTEL against the order dated December 15, 2017 passed by CERC for truing up the tariff chargeable by the Appellant in Financial Year 2012, 2013 and 2014 and determination of tariff for Financial Year 2014 to 2019. POWERGRID is a proforma party in the matter. The matter is currently pending.

(xliii) An appeal has been filed by Chhattisgarh State Power Distribution Company Limited ("**Appellant**") against the order dated December 18, 2015 passed by CERC ("**CERC Order**") before APTEL in relation the transmission asset, namely, 400 kV JPL Tamnar Raipur D/C line and 2 nos. 315 MVA, 400/220 kV Transformer along with 4 nos. of 400 kV bays and 2 nos. of 220 kV bays ("**Transmission Asset**"). The CERC Order was passed in furtherance of order dated September 26, 2012 pursuant to which CERC approved the provisional tariff of the Transmission Asset and directed for the recovery of transmission tariff on monthly basis, including from the Appellant. POWERGRID is a proforma party in the matter. The matter is currently pending.

(xliv) An appeal has been filed by Chhattisgarh State Power Distribution Company Limited ("**Appellant**") before APTEL against the order dated December 9, 2015 passed by CERC seeking cancellation of transmission license dated May 9, 20122 granted by CERC to Jindal Power Limited for the transmission assets comprising 400 kV D/C JPL Tamnar – POWERGRID Raipur transmission line and 400/220/33 kV JPL Tamnar – Switchyard. The Appellant has contended that the transmission license was wrongly granted to Jindal Power Limited. The matter is currently pending.

(xlv) An appeal has been filed by GRIDCO Limited before APTEL challenging the order dated August 31, 2017 (read with the corrigendum dated September 13, 2017) passed by CERC in relation to the approval of transmission tariff of transmission system associated with North East – Northern / Western Interconnector – I project in North Eastern and Western Region. The matter is currently pending.

(xlvi) MPSLDC filed an appeal before APTEL challenging the order dated December 14, 2015 passed by CERC contending that POWERGRID availed shut down of two important transmission links without consultation and during peak season demand due to overburden which consequently resulted in collapse of the transmission system. POWERGRID, in its reply clarified, among others, that outage planning of transmission elements is done on an annual basis for maintenance of transmission lines based on annual maintenance plan of each element and the outage in respect of the transmission line in question was for construction related activity which could not have been planned. The matter is currently pending.

(xlvii) A petition was filed by Essar Power Gujarat Limited ("**Petitioner**") against POWERGRID before CERC in connection with the dispute arising in terms of the transmission agreement dated January 3, 2011 between the Petitioner and POWERGRID and abeyance of connectivity in respect of Essar Gujarat TPS Bachau 400 kV D/C (Triple) line and extension of Bachau sub-station. CERC, vide order dated October 11, 2017, ("**CERC Order**") directed the Petitioner to pay the transmission charges as determined by CERC and empowered POWERGRID to encash the bank guarantee in case of adverse progress. Subsequently, POWERGRID filed a review petition against certain portions of the CERC Order and the Petitioner filed a writ petition seeking ad-interim injunction against encashment of bank guarantee. The High Court of Delhi granted stay up to October 17, 2017 on encashment of bank guarantee till the Appellant filed a statutory appeal before APTEL. Pursuant to the appeal filed by the Petitioner, APTEL has allowed POWERGRID to invoke the bank guarantee. The matter is currently pending.

(xlviii) An appeal has been filed by Coastal Energen Private Limited ("**Appellants**") before APTEL challenging the order dated July 29, 2016 passed by CERC ("**Appeal**") pursuant to which the Appellants have been directed by CERC to pay the transmission charges till the dedicated line up to Tuticorin pooling station is constructed and declared under commercial operation and put to regular use by the concerned generating station. The Appellants also sought stay on the letter dated August 3, 2017 issued by POWERGRID for invocation of letter of credit. The Appeal has been filed to the limited extent of issue pertaining to CERC's exclusion of transmission asset from point of connection charges and direct POWERGRID to raise a revised bill including only the non-point of connection charges. The matter is currently pending.

(xlix) An appeal has been filed by POWERGRID against CERC and others before APTEL challenging the order passed by CERC pursuant to which CERC did not condone a delay of four months in the commissioning of certain transmission asset and disallowed the IDC and IDEC of ₹ 7.60 million. POWERGRID further contended that CERC did not capitalize and deducted ₹ 148.90 million on account of revaluation of land due to revision of circle rates. The matter is currently pending. The matter is currently pending.

(l) An appeal has been filed by TANGEDCO ("**Appellant**") before APTEL challenging the order dated September 19, 2017 passed by CERC pursuant to which the transmission charges for Tuticorin Pooling Station-Salem Pooling Station 765 kV D/C line (initially charged at 400 kV) along with Bay extensions at Salem pooling station and Tuticorin Pooling Station and 80 MVAR line reactors at each end of both circuits were to be borne by, among others, the Appellant. The matter is currently pending.

(li) An appeal has been filed by MB Power (Madhya Pradesh) Limited before APTEL challenging the order dated December 15, 2017 passed by CERC on the grounds, among others, that the transmission asset in question could not have achieved the date of commercial operations on August 8, 2014 since the requirement of installation of special energy meters as required under Regulation 6.4.21 of the Indian Electricity Grid Code was not complied by POWERGRID and that there cannot be any transmission charges unless the service to transmit electricity is provided by POWERGRID. The matter is currently pending.

(lii) An appeal has been filed by TANGEDCO ("**Appellant**") before APTEL challenging the order dated November 21, 2017 passed by CERC pursuant to which CERC ratified the commercial operations date of 400 kV Salem pooling station (Dharmapuri)-Salem 400 kV D/C quad line along with new 765/400 kV pooling station at Salem (Dharmapuri) and directed the Appellant to pay the IDC and IEDC for the delayed period and that transmission charges be recovered on a monthly basis in accordance with Regulation 43 of the CERC Tariff Regulations and the same be shared by the beneficiaries and LTTCs as per the CERC Sharing Regulations. The matter is currently pending.

(liii) An appeal has been filed by Bhopal Dhule Transmission Company Limited ("**Appellant**") before APTEL challenging the order dated September 20, 2017 passed by CERC pursuant to which CERC directed the Appellant to pay the transmission charges to POWERGRID. The Appellant prayed for, among others, quashing of bilateral bills dated July 13, 2017 raised by POWERGRID, directions be issued against POWERGRID to reimburse ₹ 1.86 million which was deducted from the transmission charges paid by the Appellant pursuant to the order dated May 10, 2018 passed by CERC and that directions be issued that the Appellant was not liable to pay any IDC or IEDC until put into actual use. The matter is currently pending.

(liv) An appeal has been filed by Essar Power Transmission Company before APTEL challenging the order dated June 15, 2016 passed by CERC (as modified by order dated February 28, 2018). The appeal has been filed by the Appellant to develop the evacuation system associated with the Mahan Thermal Power Station. POWERGRID has been impleaded as a proforma party in the matter. The matter is currently pending.

(lv) An appeal has been filed by GRIDCO Limited ("**Appellant**") before APTEL challenging the order dated December 23, 2016 passed by CERC in relation to certain transmission assets which were considered of strategic and national importance by CERC and therefore, the transmission charges shall be borne by all the Designated Inter State Transmission System Customers ("**DICs**"). The Appellant contended that benefit of the transmission assets is availed by only 3 regions and since they are the direct beneficiaries, there is no justification in imposing the cost on all DICs. The matter is currently pending.

(lvi) Teestavalley Power Transmission Limited and Teesta Urja Limited (collectively, the "**Appellants**") have filed two appeals before APTEL ("**Appeals**") challenging the order passed by CERC pursuant to which CERC imposed recovery of the IDC and IEDC incurred for loop-in loop-out of one circuit of 400kv D/C Teesta III- Kishanganj transmission line at Rangpo ("**Teesta Transmission Line**") for period between March 10, 2016 to November 25, 2016 in the ratio of 50:50 from the Appellants and the transmission charges levied by CERC from November 26, 2016 to January 16, 2017 from one of the Appellants. The Appeals arise from a petition filed by POWERGRID for loop-in loop-out of the Teesta Transmission Line for delay in the commissioning of scope of work of the Appellants. The matter is currently pending.

(lvii) An appeal has been filed by Himachal Pradesh Power Transmission Corporation Limited ("**Appellant**") before APTEL challenging the order dated July 20, 2018 passed by CERC pursuant to which CERC approved the date of commercial operations ("**DOCO**") with respect to four out of five assets and directed the Appellant to pay the transmission charges. The DOCO for the last asset could not be approved by CERC due to delay in matching downstream system of the Appellant. The Appellant contended, among others that it was not made a party in the tariff petition filed by POWERGRID, there was no contractual relationship between the Appellant and POWERGRID and the Appellant did not avail any transmission services from POWERGRID. The matter is currently pending.

(lviii) A petition was filed by Raichur Sholapur Transmission Company Limited ("**Appellant**") before CERC against POWERGRID and others, praying for release of bank guarantee dated December 29, 2010 issued on behalf of the consortium by Patel Engineering Limited and change in the Scheduled COD to July 4, 2014 instead of January 7, 2014. However, CERC, vide order dated June 27, 2016, disposed of the petition filed by the Petitioner ("**CERC Order**"). Subsequently, an appeal has been filed by the Petitioner before APTEL challenging the CERC Order praying for allowing the Petitioner an opportunity to file the review petition which was granted by APTEL ("**Review Petition**"). In the Review Petition, the Petitioner has contended, among others, that delay in achieving the COD is attributable to delay in award of transmission licence and there has been no loss caused to the LTTCs. APTEL in its final order dated December 1, 2017 has permitted the Petitioner to question the correctness of the CERC Order. The matter is currently pending.

(lix) An appeal has been filed by Teestavalley Power Transmission Limited before APTEL challenging the order dated May 15, 2018 passed by CERC pursuant to which CERC disallowed the cost of design and engineering, increase in the cost of erection, stringing, civil work and IEDC in relation to 215 km 400 Kv D/Cc Transmission Line from Teesta – III HEP, Sikkim to District Kishanganj, Bihar. The matter is currently pending.

(lx) Two appeals have been filed by Rajasthan Rajya Vidyut Prasaran Nigam Limited ("**Appellant**") before APTEL challenging the orders dated May 4, 2018 and June 20, 2018 respectively passed by CERC pursuant to which CERC considered the useful life of certain transmission lines to be 25 years for the purposes of computing transmission charges instead of 35 years as prescribed under the CERC Tariff Regulations, due to which for one of the transmission lines of the Appellant not having completed the useful life of 35 years, the tariff should not have been restricted to interest on working capital and operation and maintenance expenses and all the tariffs elements ought to have been considered. POWERGRID has been made a proforma party in these matters. The matters are currently pending.

(lxi) An appeal has been filed by Greenko Budhil Hydro Power Private Limited ("**Appellant**") before APTEL challenging the order dated May 31, 2018 passed by CERC pursuant to which CERC rejected the prayer of the Appellant to claim compensation for the transmission charges for the period between May 2012 and February 2016 under the long term access for purchase of power from 70 MW (2x35 MW) Budhil Hydro Power Project in the State of Himachal Pradesh. The matter is currently pending.

(lxii) An appeal has been filed by BSES Rajdhani Power Limited ("**Appellant**") before APTEL challenging the order dated December 3, 2018 passed by CERC pursuant to which CERC dismissed the petition of Appellant seeking re-setting the rate of late payment surcharge under Regulation 45 of the CERC Tariff Regulations. The matter is currently pending.

(lxiii) An appeal has been filed by Orissa Power Generation Corporation ("**Appellant**") before APTEL challenging the order dated February 14, 2019 pursuant to which CERC, while determining tariff for certain transmission assets for phase II generation projects in Odisha has directed the Appellant to pay the transmission charges for 400kV line bays for termination of OPGC (IB TPS)-Jharsuguda 400 kV D/c line at Jharsuguda, Sundargarh. The matter is currently pending.

(lxiv) An appeal has been filed by Rajasthan Rajya Vidyut Prasaran Limited ("**Appellant**") before APTEL challenging the order dated July 20, 2018 passed by CERC pursuant to which the Appellant was, amongst others, directed to bear the transmission charges from the date of commercial operations of 400 kV Anta Bay at Kota Sub-Station which was constructed for 400 kV S/C Anta-Kota Line up to the commercial operations date of the downstream assets under the scope of the Appellant. The matter is currently pending.

(lxv) An appeal has been filed by Jaypee Power Grid Limited ("**Appellant**") before APTEL challenging the order dated May 22, 2019 passed by CERC pursuant to which CERC denied (a) ₹ 18.38 million incurred towards formation of the company and expenses towards increase in the authorised share capital on the grounds that same has been not qualified in the statutory auditors certificate provided by the Appellant; and (b) ₹ 18.11 million towards consultancy fee; and (c) ₹ 3.33 million towards service tax for the services rendered to the Appellant. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

(lxvi) Four appeals have been filed by Greenko Budhil Hydro Power Private Limited ("**Appellant**") against the CERC orders ("**CERC Orders**") before APTEL in relation to the bills raised by commercial department of POWERGRID in its capacity as CTU for the period between November 1, 2011 and May 24, 2012. Pursuant to the CERC Orders, the Appellant has been directed to share the transmission charges in accordance with, among others, the bulk power transmission agreements. These matters are currently pending.

(lxvii) An appeal has been filed by Madhya Pradesh Power Transmission Company Limited ("**Appellant**") against the order dated October 15, 2015 passed by CERC pursuant to which CERC approved the transmission tariff of Appellant's deemed ISTS lines as per the modified methodology on the basis of which bills were raised by POWERGRID in its capacity as CTU. The Appellant has challenged the recovery of excess charges by POWERGRID in its letter dated August 2, 2019 to the Appellant. The matter is currently pending.

(lxviii) A petition was filed by Bharat Aluminium Company Limited ("**BALCO**") before CERC for quashing certain notices issued by POWERGRID involving an amount of ₹ 15.40 million along with 18% surcharge in relation to certain transmission assets. Subsequently, an appeal was filed by BALCO before APTEL contending that it was subjected to pay unreasonable transmission tariff for certain transmission assets which were never commissioned nor utilized by BALCO during the between October 2011 and March 2012. The matter is currently pending.

(lxix) An appeal was filed by NTPC Limited ("**Petitioner**") challenging the order dated January 16, 2017 passed by CERC ("**CERC Order**") before APTEL pursuant to which the Petitioner was held liable for payment of IDC and IEDC for the period from October 4, 2014 till March 20, 2015 while disallowing the estimated payments made against the IDC after commercial operations date. Further, a review petition was filed by Parbati Koldam Transmission Company Limited seeking review of the CERC Order. The matter is currently pending.

(lxx) An appeal has been filed by NTPC Limited ("**Appellant**") before APTEL challenging the order dated January 16, 2017 passed by CERC pursuant to which CERC, among others, directed the Appellant to pay the full transmission charges to Parbati Koldam Transmission Company Limited for the CKT-II of Parbati-Koldam transmission line from October 4, 2014 till March 20, 2015. The matter is currently pending.

(lxxi) An appeal has been filed by NTPC Limited ("**Appellant**") before APTEL challenging the order dated December 19, 2016 passed by CERC pursuant to which CERC did not approve the commercial operations date of CKT-I and CKT-II of Parbati-Koldam transmission line, being March 30, 2015 and directed the Appellant to bear the IDC and IEDC charges till the date of usage of the transmission line i.e. from August 7, 2014 till August 14, 2014 after which it would be included in the PoC. The matter is currently pending.

(lxxii) An appeal has been filed by East North Interconnection Company Limited ("**ENICL**") against CERC and others, including POWERGRID, challenging the order passed by CERC imposing the liability of IDC and IEDC charges payable to POWERGRID by ENICL despite CERC condoning the delay of commissioning of asset by ENICL. The matter is currently pending.

(lxxiii) A petition was filed by Greenko Budhil Hydro Power Private Limited ("**Petitioner**") before CERC for, among others, quashing the letters dated August 2, 2018 and August 14, 2018 issued by POWERGRID in relation to the payment of ₹ 62.50 million requested by POWERGRID from the Petitioner towards outstanding dues of transmission charges and abuse of dominant position by POWERGRID on the grounds that Petitioner is not a LTTC and therefore no charges could be levied on the Petitioner. CERC, vide order dated November 20, 2019 ("**CERC Order**") held, among others that no case could be made against POWERGRID as POWERGRID did not abuse its position. Subsequently, an appeal has been filed by the Petitioner before APTEL challenging the CERC Order. The matter is currently pending.

(lxxiv) Two appeals have been filed by Tata Power Delhi Distribution Limited and BSES Rajdhani Power Limited ("**Appellants**") before APTEL against the order dated July 31, 2019 passed by CERC pursuant to which CERC allowed the review petitions of POWERGRID to review the CERC's approval of the commercial operations date of certain assets by adopting the sharing of transmission charges methodology asserted by POWERGRID under Regulation 11(4)(3)(i) of the CERC Sharing Regulations and accepting certain other contentions of POWERGRID which were allegedly against the interests of the Appellant. The matters are currently pending.

(lxxv) An appeal has been filed by GRIDCO Limited before APTEL against the order dated October 15, 2019 passed by CERC pursuant to which CERC has held that the transmission assets, namely, 800 kV 3000 MW HVDC Pole-III and LILO of Bishwanath Chariali-Agra HVDC line and LILO of Bongaigaon-Binaguri (Siliguri) 400 kV D/c line (quad). LILO of Birpara-Salakati 220 kV line, 315 MVA 400/220 kV ICT-I and II and 125 MVAR 400 kV bus reactor-I and II along with associated bays at Alipurduar HVDC station, are of strategic and national importance, therefore, the transmission charges in relation to these assets shall be borne by all the distribution companies regardless of whether they derive benefit from the assets. The matter is currently pending.

(lxxvi) An appeal was filed by NHPC Limited ("**Appellant**") before APTEL challenging the order dated July 21, 2016 passed by CERC pursuant to which CERC held that the transmission charges for the period between August 1, 2013 and March 23, 2014 shall be borne by the Appellant and further directed the Appellant to examine whether the transmission assets were used by other generators during this period. APTEL, vide judgment dated July 16, 2018 allowed the appeal and remanded the matter to CERC. Subsequently, CERC vide order February 5, 2020 ("**CERC Order**") upheld the earlier judgment passed by CERC vide order dated July 21, 2016, holding that the transmission charges should be borne exclusively by the Appellant as the assets were developed for the Appellant's use. Aggrieved by the CERC Order, the Appellant filed the appeal before APTEL. The matter is currently pending.

(lxxvii) An appeal has been filed by Delhi Transco Limited against CERC and others, including POWERGRID, before APTEL, to receive transmission charges under applicable CERC Tariff Regulations by challenging the orders dated June 26, 2018 each passed by CERC pursuant to which CERC had evolved a methodology for allowing the transmission charges for inter-state transmission lines. The matter is currently pending.

(lxxviii) Two writ petitions have been filed by M.P. Power Transmission Company Limited ("**Appellants**") before the High Court of Madhya Pradesh challenging the order dated January 27, 2020 and January 21, 2020 passed by CERC in relation to certain transmission assets located at Indore and Parli sub-stations. The Appellants have challenged certain provisions of the CERC Tariff Regulations pursuant to which CERC held that the beneficiaries and the long term transmission customers were liable to pay the transmission charges till commissioning for the sub-stations. The matters are currently pending.

(lxxix) An appeal has been filed by BSES Rajdhani Power Limited and others ("**Appellants**") before APTEL against CERC and others challenging the order dated November 6, 2019 passed by CERC ("**CERC Order**") pursuant to which CERC allowed revision and review of transmission tariff for the certain assets in compliance with the decisions in appeal no.81 of 2005 and appeal no. 139 of 2006 decided by APTEL. Aggrieved by the CERC Order Appellants have filed the present appeal contending, among others, that CERC cannot allow to review transmission tariffs for earlier years of 2001-04, 2004-09 and 2009-14 which were determined in accordance with CERC Tariff Regulations which stand repealed as on the date of passage of the impugned CERC Order. The matter is currently pending.

(lxxx) An appeal has been filed by POWERGRID before APTEL against the order dated November 8, 2019 pursuant to which CERC had condoned the entire time over-run of 69 months and 5 days but disallowed the IEDC of ₹ 128.95 million for the transmission assets, namely, LILO of 400 kV S/C Neelmangla-Hoody Transmission Line at new 400/220 kV GIS Substation at Yelahanka with 1X63 MVAR 420 kV Bus Reactor along with associated bays and equipment and 2X500MVA, 400/220kV ICTs along with associated bays and equipment at 400/220kV Yelahanka Substation under "System Strengthening XII in Southern Region. Subsequently, APTEL has vide order dated April

22, 2021, ("**APTEL Order**") allowed the appeal and has directed CERC to pass a consequential order within four weeks of the APTEL Order. The matter is currently pending.

(lxxxi) An appeal has been filed by POWERGRID NM Transmission Limited against CERC and others before APTEL challenging the order dated March 26, 2018 passed by CERC. POWERGRID has been made a proforma party in the matter. For further details, see "*Litigation involving Associates of the Sponsor – G. POWERGRID NM Transmission Limited ("PNMTL")*".

(lxxxii) An petition has been filed by Altra Xergi Power Private Limited ("**Petitioner**") before CERC against POWERGRID and others seeking relief regarding requirement of submission of construction phase bank guarantee under the agreement for long term access with system strengthening. The matter is currently pending.

(lxxxiii) An appeal has been filed by Kanchenjunga Power Company Private Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated June 24, 2020 passed by CERC pursuant to which CERC held that certain transmission assets are not ISTS and CERC cannot determine the tariff since the Appellant had already approached Himachal Pradesh Electricity Regulatory Commission for determination of the tariff. The matter is currently pending.

(lxxxiv) A petition been filed by POWERGRID Southern Interconnector Transmission System Limited against Southern Power Distribution Company of Andhra Pradesh Limited and others, for invoking the force majeure and change in law events. POWERGRID has been made proforma party in the matter. The matter is currently pending. For further details, see "*Litigation involving Associates of the Sponsor – H. POWERGRID Southern Interconnector Transmission System Limited ("SITSL")*.

(lxxxv) A petition has been filed by Punjab National Bank in its capacity as financial creditor for initiation of corporate insolvency resolution process against Lanco Vidarbha Thermal Power Limited ("**NCLT Petition**"). In relation to the NCLT Petition, an application was filed by resolution professional of Lanco Vidarbha Thermal Power Limited challenging the letters dated December 17, 2020 issued by POWERGRID in its capacity as CTU for invocation of bank guarantees amounting to ₹ 363.20 million. The matter is currently pending.

(lxxxvi) An appeal has been filed by Coastal Energen Private Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated February 5, 2020 passed by CERC pursuant to which CERC did not accept the plea of force majeure of the Appellant and directed the Appellant to pay certain relinquishments charges in terms of the methodology provided under the order dated May 8, 2019 passed by CERC. The matter is currently pending.

(lxxxvii) An appeal has been filed by NHPC Limited ("**Appellant**") before APTEL against POWERGRID challenging the order dated February 5, 2020 passed by CERC pursuant to which CERC held that the transmission charges for 400 kV D/C Parbati-Amritsar transmission line along with associated bays at both ends), LILO of 2nd Ckt of Parbati-II-Koldam transmission line at pooling order along with associated bays and LILO at Parbati-III and 400 kV 80 MVAR Bus Reactor at Parbati pooling station along with associated bays should be borne exclusively by the Appellant for the period of mismatch as these assets were developed for the Appellant. The matter is currently pending.

(lxxxviii) An appeal has been filed by Himachal Pradesh Power Transmission Corporation Limited before APTEL against CERC and others, challenging the order dated November 21, 2019 passed by CERC pursuant to which CERC did not condone the time overrun for (a) 400/220kV, 3 X 105 MVA ICT along with associated bays at Hamirpur Sub-station; (b) 220kV, 2 nos. line bays at Hamirpur Sub-station; (c) 220kV, 2 nos. line bays at Jalandhar Sub-station; and (d) 1 x 500 MVA, 400/220 kV transformer at Gurgaon sub-station. The matter is currently pending.

(lxxxix) An appeal has been filed by Delhi Transco Limited before APTEL against CERC and others challenging the order dated December 19, 2017 passed by CERC pursuant to which CERC had evolved a methodology for allowing transmission charges for the inter-state transmission lines, namely, 400 KV D/C Mandaula – Bawana and 400 KV D/C Bamnauli - Ballabhgarh. The matter is currently pending.

(xc) POWERGRID has filed an appeal before APTEL against the orders passed by CERC directing POWERGRID to pay certain amounts mentioned in the order dated December 15, 2017 ("**CERC Order**") The CERC Order held, among others, that POWERGRID's approach for development of transmission infrastructure is revenue driven and it has failed to operationalise the long term access granted to one of the respondents. POWERGRID further sought return the bank guarantee of ₹ 600 million furnished in terms of the applicable regulations read with the transmission service agreement dated June 14, 2010 and long term access agreement June 17, 2011. The matter is currently pending.

(xci) POWERGRID has filed an appeals before APTEL against order passed by CERC ("**CERC Orders**") which restricted the IEDC of certain transmission assets to 5% of the hard cost and thereby disallowing a deduction of ₹ 75.99 million of the IEDC charges. The matter is currently pending.

(xcii) An appeal has been filed by Assam State Electricity Board against POWERGRID before the Supreme Court for review of the order dated May 9, 2005 passed by APTEL pursuant to which APTEL allowed enhanced share of POWERGRID in uniform common pooled transmission tariff rates with effect from February, 2000. The matter is currently pending.

(xciii) POWERGRID has filed an appeal before APTEL against the order passed by CERC ("**CERC Order**") granting compensatory and declaratory reliefs to Bhopal Dhule Transmission Company Limited on account of force majeure and change in law events. POWERGRID has contended that CERC has not followed the principles of natural justice while passing the order and that CERC has wrongly imposed transmission charges of ₹ 136.60 million on POWERGRID for Dhule-Vadodara 765 kV D/C transmission line from February 9, 2015 to June 13, 2015. The matter is currently pending.

(xciv) POWERGRID has filed an appeal before the Appellate Tribunal for Electricity against the order passed by CERC ("**CERC Order**") refusing to condone the time overrun of 383 days which occurred in the commissioning of certain projects on account of mismatch of date of commissioning of power generating station and the transmission line. Further, POWERGRID has contended that the CERC Order (a) restricted the IEDC to 5% of the hard cost based on abstract cost estimates which is contrary to the provisions of the CERC Tariff Regulations; and (b) allowed IEDC of ₹ 71.54 million against ₹ 129.17 million for Asset III and ₹ 28.91 million against ₹ 51.44 million for Asset IV. The matter is currently pending.

(xcv) POWERGRID has filed an appeal before the Supreme Court against the order dated October 20, 2010 passed by APTEL dismissing the appeal of POWERGRID on the grounds that, among others, the appeal was time barred, in relation to the claims of POWERGRID for the expenditure on construction of different transmission projects (Kathalguri, Kopli-Misa, augmentation of these projects etc.) of north eastern region ("**NER**") and restricting the provisional tariff in NER to 35 p/kWH by CERC vide order dated September 22, 2000, irrespective of the notification of Ministry of Power dated December 16, 1997 which provided for the norms and parameters for determination of tariff. The matter is currently pending.

(xcvi) POWERGRID has filed an appeal before the Supreme Court of India against the order dated October 20, 2010 passed by APTEL dismissing the appeal filed by POWERGRID on the grounds, among others, that the appeal was time barred, in relation to the expenditure for construction of Agartala transmission system of NER and restricting the provisional tariff in NER to 35 p/kWH by CERC vide order dated September 22, 2000, irrespective of the notification of Ministry of Power dated December 16, 1997 which provided for the norms and parameters for determination of tariff. The matter is currently pending.

(xcvii) POWERGRID has filed an appeal before the Supreme Court of India for approval of tariff for upgradation of transfer capacity of Talcher-Kolar HVDC Bi-pole in southern region for the period between August 1, 2007 and March 31, 2009 based on the CERC Tariff Regulations. POWERGRID has contended in the appeal that availability of system for POWERGRID was reduced by 4.43% for the period during upgradation process. The matter is currently pending.

(xcviii) POWERGRID has filed an appeal before the Supreme Court of India against CERC and others, against the order dated June 9, 2009 passed by CERC ("**CERC Order**") and the order dated January 20, 2011 passed by APTEL ("**APTEL Order**") for southern region incentive for the year 2006-2007. Pursuant to the CERC order, CERC had decreased the availability of Talcher-Kolar by 0.55% and had consequently reduced the incentive which resulted in panelising of maintenance outage. Accordingly, the appeal was filed by POWERGRID against the CERC Order and the APTEL Order in relation to the calculation of transmission system availability for incentive and disincentive purposes. The matter is currently pending.

(xcix) POWERGRID has filed a petition before CERC for fixation of tariff for 400 kV transmission line at Chandrapur, Maharashtra. CERC passed an order dated August 20, 2002 ("**CERC Order**") approving the final tariff but failed to consider oversees development agency grant of ₹3,215.50 million for calculation of depreciation. Aggrieved by the CERC order, POWERGRID filed an appeal before APTEL which was dismissed by APTEL vide its order dated April 7, 2011. Subsequently, POWERGRID has filed an appeal before the Supreme Court challenging the order dated April 7, 2011 passed by APTEL. The matter is currently pending.

(c) POWERGRID has filed an appeal before the Supreme Court of India against the order dated January 2, 2002 passed by CERC pursuant to which CERC did not allow the NER incentive for the period between 1998 and 2000. POWERGRID contended that pursuant to the notification dated December 16, 1997, issued by GoI, ("**GoI Notification**") POWERGRID has operated and maintained the transmission system in NER beyond 95% availability and was therefore entitled to incentive for availability of the system pursuant to the GoI Notification. The matter is currently pending.

(ci) POWERGRID has filed two appeals before APTEL challenging the orders dated February 3, 2009 each passed by

CERC disallowing the claim of POWERGRID regarding additional capitalization of the transformers which replaced the damaged transformers and held that net cost of replacement of the damaged transformers has to be met out of the insurance fund reserve maintained by POWERGRID under the internal insurance policy maintained by POWERGRID for which the contribution is paid by the beneficiaries in the form of O&M expenses. Pursuant to the dismissal of appeals by APTEL, POWERGRID has filed an appeal before the Supreme Court challenging the orders. The matters are currently pending.

(cii) POWERGRID has filed an appeal before the Supreme Court of India against judgment dated May 10, 2012 passed by ATE pertaining to non-allowance of IDC and IEDC of ₹6.87 million by ATE for the period between April 1, 2009 and June 30, 2010, in relation to the second circuit of 3132 kV D/C Sewa II – Hiranagar transmission line along with associated bays at Hiranagar sub-station. The matter is currently pending.

(ciii) POWERGRID has filed an appeal against CERC and other before the Supreme Court in relation to an order passed by APTEL pursuant to which APTEL disallowed POWERGRID's appeal with respect to asset 5 (d) (LILO of Neyveli Sriperumbudur 400 kV S/C line at Puducherry sub-station with associated bays), Asset 8 (2 Nos. 315 MVA ICT's along with associated bays and 220 kV downstream equipment at Puducherry 400/220 kV substation) and Asset 9 (2 Nos. of 50 MVAR line reactors at Pugalur 400/220 kV sub-station along with associated bays at Pugalur substation) and did not condone the time overrun and disallowed the IDC and IEDC charges in relation to these transmission assets. The matter is currently pending.

(civ) An appeal has been filed by Tamil Nadu Generation and Distribution Corporation Limited ("**TANGEDCO**") against POWERGRID and CERC before APTEL challenging the order dated May 4, 2011 passed by CERC pursuant to the petition filed by POWERGRID whereby CERC allowed the payment of transmission charges of Kudamkulam-Tirunelveli transmission line from the date of commercial operations, being April 1, 2009. ATE, vide order dated October 3, 2012 ("**ATE Order**") dismissed the claims of TANGEDCO. Subsequently, TANGEDCO has filed an appeal against the ATE Order. The matter is currently pending.

(cv) A writ petition has been filed by BSES Rajdhani Power Limited and BSES Yamuna Power Limited ("**Petitioners**") against CERC and others for enhancement of tariff and raising issues relating to the functioning of Delhi State Commission. The Petitioners have further claimed to have suffered an undeserved cash flow and financial crisis due to the acts and omissions by the Delhi State Commission. The matter is currently pending.

(cvi) POWERGRID filed an appeal before APTEL against the order dated May 9, 2013 passed by CERC wherein CERC partly allowed the review petition filed by POWERGRID in relation to the IDC and IEDC to be capitalized from February 1, 2009 to July 31, 2009 in respect of LILO of Ramagundam- Khammam T/L at Warangal Sub-Station (Asset 1) and 2X315 MVA Auto Transformer & 400/220 kV Bays Equipment at Warangal Sub-station (Asset 2). APTEL, vide order dated March 3, 2014 dismissed the appeal of POWERGRID. Subsequently, an appeal has been filed before the Supreme Court of India against order dated March 5, 2014, passed by APTEL. The matter is currently pending.

(cvii) Five writ petitions have been filed by Maharashtra State Electricity Distribution Company Limited, GRIDCO Limited, West Bengal State Electricity Distribution Company Limited, Bihar State Electricity Board and Jharkhand State Electricity Board against POWERGRID, CERC and others, before the High Court of Delhi challenging, among others, the CERC Sharing Regulations and bills of transmission charges raised by POWERGRID. The matters are currently pending.

(cviii) A writ petition has been filed by Lanco Amarkantak Power Limited against POWERGRID and Union of India and others, challenging, among others, the bills of transmission charges raised by POWERGRID alleging POWERGRID's O&M charges as arbitrary and unreasonable on the grounds that they are contrary to the CERC Tariff Regulations The matter is currently pending.

(cix) Two appeals have been filed by West Bengal State Electricity Distribution Company Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL for grant of open access to Indian railways. The Appellant had earlier contested the grant of access before CERC contending that there was no application for open access and accordingly, no issue existed for CERC to adjudicate. The matters are currently pending.

(cx) An appeal has been filed by Hindustan Electricity Generation Company Limited ("**Appellant**") against CERC and others before APTEL against the order passed by CERC dated August 24, 2015 allowing POWERGRID to take appropriate action with relation to the bank guarantee issued in accordance with 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 on account of failure on the part of the Appellant to sign the long term access agreement. The Appellant has prayed for POWERGRID to deposit ₹ 25 million till the disposal of the appeal and for interest at the rate of 24% on an amount of ₹ 15 million and a compensation of ₹ 10 million. The matter is currently pending.

(cxi) An appeal has been filed by Haryana Vidyut Prasaran Nigam Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL against the order dated June 29, 2016 passed by CERC pursuant to which CERC held that since the transmission systems of the Appellant were not being used for evacuation of power from the solar project of NTPC Limited at Faridabad, there is no basis for the Appellant to insist NTPC Limited to enter into a connection / long term access agreement and to pay certain transmission charges. The Appellant has claimed an exemption from payment of transmission charges and transmission losses. The matter is currently pending.

(cxii) An appeal has been filed by Chhettinad Power Corporation Private Limited ("**Appellant**") against POWERGRID and others before APTEL against the order dated March 8, 2017 passed by CERC. The Appellant has contested the encashment of bank guarantee by POWERGRID in the appeal. The matter is currently pending.

(cxiii) An appeal has been filed by D.B. Power Limited ("**Appellant**") against CERC and others before APTEL against the order dated March 20, 2017 passed by CERC. The Appellant has sought refund of relinquishment charges towards relinquishment of medium term open access. The matter is currently pending.

(cxiv) An appeal has been filed by Simhapuri Energy Limited ("**Appellant**") against CERC and others before APTEL against the order dated July 6, 2017 passed by CERC. The Appellant has contested against the levy of transmission charges on the Appellant by CERC. The matter is currently pending.

(cxv) Two appeals have been filed by Jaiprakash Power Ventures Limited before APTEL against the orders dated July 18, 2017 and July 24, 2017 respectively passed by CERC ("**CERC Orders**") seeking relinquishment of long term access without any liability of paying compensation due to occurrence of change in law and force majeure conditions. The matters are currently pending.

(cxvi) An appeal has been filed by Brahmani Thermal Power Private Limited ("**Appellant**") against POWERGRID and others before APTEL against the order dated April 12, 2017 passed by CERC pursuant to which CERC held that since POWERGRID had made investment on the commitment of the Appellant, in the event of Appellant abandoning the project, it is liable to pay the transmission charges and damages as per the applicable law. The Appellant has sought relinquishment of long term access without any corresponding liability towards relinquishment charges. The matter is currently pending.

(cxvii) An appeal has been filed by Essar Power Gujarat Limited ("**Appellant**") against CERC and others before APTEL against the order dated January 29, 2016 passed by CERC pursuant to which CERC directed the Appellant to extend the bank guarantee till opening of the payment security mechanism and operationalization of long term access and directed POWERGRID to not encash the bank guarantee till the opening of payment security mechanism for operationalization of the long term access. The matter is currently pending.

(cxviii) A petition has been filed by Shiga Energy Private Limited ("**Petitioner**") against POWERGRID and others before CERC claiming an amount of ₹ 1,123.90 million, being the financial loss suffered by the Petitioner on account of alleged delay in commencement of long term access granted and due to delay in implementation of transmission system which was to be implemented by POWERGRID. The matter is currently pending.

(cxix) A petition has been filed by GMR Kamalanga Energy Limited against POWERGRID before CERC alleging delay in commencement of LTA by POWERGRID which resulted in damages to the Appellant to the tune of ₹ 4,680 million. The matter is currently pending.

(cxx) An appeal has been filed by Essar Power M P Limited ("**Appellant**") before APTEL disputing the liability of payment of transmission charges for the LILO line and seeking declaration of LILO at the Vindhyachal-Korba D/C line at Mahan, Madhya Pradesh ("**Mahan Transmission Line**") as a permanent element challenging the order dated January 19, 2018 pursuant to which CERC declined to grant relief to the Appellant regarding LILO of the Mahan Transmission Tine. The matter is currently pending.

(cxxi) An appeal has been filed by Essar Steel India Limited ("**Appellant**") before APTEL against Dakshin Gujarat Vij Company Limited ("**Respondent**") and others challenging the order dated November 6, 2018 passed by CERC ("**CERC Order**") against the payment of cross-subsidy by Appellant to Dakshin Gujarat Vij Company Limited in addition to grant of open access. Pursuant to the CERC Order, the Respondent has been granted the liberty to approach the NCLT for appropriate directions with respect to the claims including the cross-subsidy surcharge. The matter is currently pending.

(cxxii) A petition has been filed by Adani Renewable Energy Park Rajasthan Limited ("**Petitioner**") before CERC against Fatehgarh-Bhadla Transmission Limited and others seeking extension of scheduled commercial operations date of a transmission project due to occurrence of force majeure events covered under Article 11 of the transmission service agreement dated January 10, 2018 and seeking extension of operational time of the long term access under the agreements dated September 22, 2016 executed between Petitioner and POWERGRID on account of change in law covered under clause 5.7 of the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Projects issued by the Government of India on August 3, 2017 and amended on June 14, 2018. The matter is currently pending.

(cxxiii) An appeal has been filed by Aryan MP Power Generation Private Limited ("**Appellant**") before APTEL against CERC and others, including POWERGRID, challenging the order passed by CERC which rejected the plea of force majeure claimed by the Appellant and directed the Appellant to pay the applicable transmission charges. The matter is currently pending.

(cxxiv) A petition was filed by PTC India Limited ("**Appellant**") against CERC and POWERGRID before APTEL challenging the order of the CERC seeking a declaration to allow it to surrender its long term access rights along with a prayer for permitting the change of drawee for power evacuation from the power generation project and claiming interest on an amount of ₹ 240 million. The matter is currently pending.

(cxxv) An appeal has been filed by Essar Power Gujarat Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL, challenging the order passed by CERC which allowed POWERGRID to encash the bank guarantee issued by the Appellant and also contended that CERC had failed to address the specific issue raised by the Appellant that the transmission line constructed by POWERGRID was not capable of carrying 2240 MW and thus wrongly construed connectivity of a transmission line de hors its transmission capability. The matter is currently pending.

(cxxvi) A petition has been filed by NTPC Limited ("**NTPC**") against PWTL and POWERGRID for resolution of disputes which have arisen in relation to certain bills raised by PWTL and subsequent bills raised by PWTL and POWERGRID. For further details, see "*Litigation involving the Trust – B. PWTL – Regulatory Matters*".

(cxxvii) A petition has been filed by Power Transmission Corporation of Uttarakhand Limited against POWERGRID before CERC seeking execution of revised implementation agreements with POWERGRID with fresh timelines for the execution of the power generation plants and the associated transmission system. The matter is currently pending.

(cxxviii) A petition has been filed by Torrent Power Limited against POWERGRID before CERC seeking extension of time for submission of certain documents to achieve financial closure in respect of its wind project as required under the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018. The matter is currently pending.

(cxxix) A petition has been filed by Airpower Windfarms Private Limited against POWERGRID before CERC seeking extension of time for submission of certain documents, as required in terms of the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" and return of bank guarantee in case no investment has been made by POWERGRID. The matter is currently pending.

(cxxx) A petition has been filed by Tata Power Trading Company Limited against POWERGRID before CERC challenging the rejection of its application for cross border connectivity by POWERGRID and for failure to providing approval of designated authority under the applicability of the Central Electricity Regulatory Commission (Cross Border Trade of Electricity Regulations), 2019. The matter is currently pending.

(cxxxi) A petition has been filed by Clean Solar Energy Holdings Limited against POWERGRID before CERC seeking extension of time for submission of proof of release of 10% of the total funds through equity as required in terms of the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018. The matter is currently pending.

(cxxxii) A petition has been filed by MB Power (Madhya Pradesh) Limited ("**Petitioner**") against POWERGRID before CERC seeking declaration from CERC that operationalization of the long term access be declared null and void in the absence of entire end to end transmission system. The Petitioner has also prayed for refunds of the amounts paid along with the associated carrying costs. The matter is currently pending.

(cxxxiii) A petition has been filed by Sitac Kabini Renewables Private Limited ("**Petitioner**") against before CERC challenging the action of POWERGRID to revoke the LTA due to certain delays in submission of bank guarantee by the Petitioner. The matter is currently pending.

(cxxxiv) A petition has been filed by Aryan M.P. Power Generation Private Limited ("**Petitioner**") against POWERGRID before CERC seeking refund of a certain amount after deduction of relinquishment charges from the encashed bank guarantee by POWERGRID. CERC, vide order dated, December 3, 2018 has directed POWERGRID to return the encashed bank guarantee to the Petitioner. Subsequently, an appeal has also been filed by the Petitioner before

APTEL against the aforesaid order passed by CERC, claiming ₹ 100 million for loss of goodwill, business and reputation from POWERGRID. The matter is currently pending.

(cxxxv) A petition has been filed by Eastern Regional Load Despatch Centre ("**Petitioner**") against Odisha Power Generation Corporation Limited and others, including POWERGRID, seeking relief regarding opening of the bus sectionalise breakers between a unit connected to state transmission utility and a unit connected to central transmission utility. The matte is currently pending.

(cxxxvi) A petition has been filed by Odisha Power Generation Corporation Limited ("**Petitioner**") against POWERGRID and others before CERC seeking shifting of control area from Eastern Regional Load Despatch Centre to Odisha State Load Despatch Centre and operating the bus coupler in closed conditions for common bus mode operation. The matter is currently pending.

(cxxxvii) A review petition has been filed by GMR Warora Energy Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL challenging the order dated April 11, 2019 passed by APTEL pursuant to which APTEL upheld the order dated October 17, 2017 passed by CERC in which the Appellant was held liable to pay the relinquishment charges in terms of the Connectivity Regulations. The matter is currently pending.

(cxxxviii) A review petition has been filed by Sembcorp Energy India Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated April 11, 2019 passed by APTEL pursuant to which the Appellant was directed to pay the relinquishment charges in terms of the Connectivity Regulations. The matter is currently pending.

(cxxxix) An appeal has been filed by Teesta Urja Limited ("**Petitioner**") before APTEL against CERC and others challenging the order dated March 19, 2019, passed by CERC pursuant to which it was held that the petition filed earlier by the Petitioner had become infructuous in view of the commissioning of 400kV Kishanganj-Teesta III line up to Rangpo LILO point along with 63 MVAR line reactor and associated bays at Kishanganj line with effect from January 6, 2019. The matter is currently pending.

(cxl) An appeal has been filed by PTC India Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL challenging the order passed by CERC which levied excess transmission charges on the Appellant claiming refund of excess transmission charges from POWERGRID along with interest. The matter is currently pending.

(cxli) 18 (Eighteen) appeals have been filed by, among others, various power distribution companies against POWERGRID and others, before APTEL challenging a common order dated March 8, 2019, passed by CERC, which provided the methodology for calculation of relinquishment charges and stranded capacity in relation to the power projects at certain locations. The matters are currently pending.

(cxlii) A petition has been filed by Warora Kurnool Transmission Limited ("**Petitioner**") and others against Tamil Nadu Generation and Distribution Corporation Limited and others before CERC for assignment of transmission license and substitution of the Petitioner with the nominee of the lenders. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

(cxliii) A petition has been filed by Odisha Generation Phase II Transmission Limited before CERC against West Bengal State Electricity Distribution Company Limited and others, seeking monetary compensation on account of occurrence of force majeure and change in law events in the operation of certain transmission assets. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

(cxliv) A petition has been filed by Renew Sun Waves Private Limited against POWERGRID and others, before CERC, praying for relaxation from Regulation 8A of 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. The matter is currently pending.

(cxlv) A petition has been filed by Dirang Energy Limited ("**Petitioner**") and others against, among others, POWERGRID before CERC seeking release of bank guarantee issued by the Petitioner in favor of POWERGRID on account of alleged frustration of the long term access granted to the Petitioner. The matter is currently pending.

(cxlvi) A petition has been filed by Ostro Kutch Wind Private Limited ("**Petitioner**") before CERC against POWERGRID seeking extension of date for opening of letter of credit with respect to the balance long term access of 50 MW for certain transmission asset. The petition has been filed in response to the letter dated May 21, 2019 issued by POWERGRID pursuant to which POWERGRID had directed the Petitioner, in view of operationalization of the long term access for 50 MW capacity, to furnish a confirmed irrevocable, unconditional and revolving letter of credit in favour of POWERGRID for an amount of ₹ 28.30 million. The matter is currently pending.

(cxlvii) A review petition has been filed by POWERGRID against DB Power (Madhya Pradesh) Limited ("**Respondent**") and others, before CERC against the order dated January 21, 2020 passed by CERC directing POWERGRID to return the bank guarantee of the Respondent. The matter is currently pending.

(cxlviii) A petition has been filed by Ostro Kannada Power Private Limited ("**Petitioner**") and others against, among others, POWERGRID, before CERC, seeking relief that the bank guarantee issued by the Petitioner in relation to an earlier connectivity be utilised against the fresh transmission agreement to be executed after grant of stage-II connectivity against letter of award dated June 17, 2019 issued by Solar Energy Corporation of India Limited. The matter is currently pending.

(cxlix) Two petitions have been filed by Acme Deoghar Solar Power Private Limited and others and Acme Phalode Solar Energy Private Limited ad others against Solar Energy Corporation of India and others, including POWERGRID ("**Respondents**"), before CERC praying for directions to be issued to restrain the Respondents from invoking bank guarantees and letters of comfort and for return of these guarantees and the letters of comfort. The matters are currently pending.

(cl) A petition has been filed by SEW Nafra Power Corporation Limited and others against, among others, POWERGRID before CERC, seeking release of bank guarantee owing of alleged frustration of long term access agreement dated November 1, 2012 executed with POWERGRID. The matter is currently pending.

(cli) A petition has been filed by Shapoorji Pallonji Infrastructure Capital Company Private Limited before CERC against POWERGRID seeking discharge of connectivity bank guarantee and relaxation of the procedure laid down in the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018. The matter is currently pending.

(clii) A petition has been filed by Sprng Renewable Energy Private Limited ("**Petitioner**") against, among others, POWERGRID, before CERC, alleging discrepancies arising on account of conflict between the Scheduled COD under the power purchase agreement and the date of operationalisation of connectivity and long-term access. The Petitioner has further sought reliefs with respect to, among others, exemption from payment of transmission charges, opening a letter of credit for PoC charges and quashing of default notice issued by POWERGRID. The matter is currently pending.

(cliii) A petition has been filed by Chhattisgarh WR Transmission Limited before CERC against DNH Power Distribution Corporation Limited and others seeking relaxation from CERC in the form of a relief for change in law in relation to the establishment of certain transmission assets. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

(cliv) A petition has been filed by Avikiran Solar India Private Limited before CERC against POWERGRID seeking relaxation of time period stipulated under the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018 for a transmission sub-station. The matter is currently pending.

(clv) A petition has been filed by SBE Renewables Ten Private Limited ("**Petitioner**") before CERC against Solar Energy Corporation of India Limited and others, including POWERGRID seeking return of bank guarantee submitted by it and relaxation from the "Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018.", pursuant to the revocation of Stage-II connectivity for certain transmission asset granted to the Petitioner. The matter is currently pending.

(clvi) An appeal has been filed by Vaayu Renewable Energy (Sironj) Private Limited ("**Appellant**") against CERC and others, including POWERGRID, before APTEL challenging the order dated January 13, 2020 passed by CERC allowing POWERGRID to encash the connectivity bank guarantee of the Appellant. The matter is currently pending.

(clvii) An appeal has been filed by SKS Power Generation (Chhattisgarh) Limited ("**Appellant**") before APTEL against CERC and others, challenging the order dated December 11, 2019 passed by CERC pursuant to which CERC directed POWERGRID to raise the bill towards payment of relinquishment charges against various generators in accordance with the methodology prescribed by CERC vide order dated March 8, 2019. The matter is currently pending.

(clviii) An appeal has been filed by PEL Power Limited ("**Appellant**") before APTEL against CERC and others, including POWERGRID, challenging the order dated March 8, 2019 passed by CERC pursuant to which CERC had provided methodology for calculation of relinquishment charges and stranded capacity in relation to certain transmission asset. The matter is currently pending.

(clix) An appeal has been filed by South Bihar Power Corporation Limited and others ("**Appellant**") before APTEL against CERC and others, challenging the order dated September 18, 2018 passed by CERC pursuant to which CERC disposed of another petition holding that long term access of Bharatiya Rail Bijli Company Limited was already operationalized. The matter is currently pending.

(clx) An appeal has been filed by Himachal Sorang Power Private Limited ("**Appellant**") before APTEL against POWERGRID and others, challenging the order dated December 11, 2019 passed by CERC pursuant to which CERC directed POWERGRID to raise bills towards payment of relinquishment charges against various generators in accordance with the methodology prescribed by CERC in its earlier order dated March 8, 2019. The matter is currently pending.

(clxi) Three appeals have been filed by Vaayu Renewable Energy (Kaveri) Private Limited, Vaayu Renewable Energy (Kaveri) Private Limited and Vaayu Renewable Energy (Krishna) Private Limited ("**Appellants**") before APTEL against CERC and others, challenging the order dated January 13, 2020 passed by CERC pursuant to which CERC held that POWERGRID is at liberty to encash the connectivity bank guarantee of the Appellants. The matter is currently pending.

(clxii) Five appeals have been filed by various power distribution companies ("**Appellants**") before APTEL against POWERGRID and others, challenging the order dated December 11, 2019 passed by CERC pursuant to which CERC directed POWERGRID to raise bills towards payment of relinquishment charges against various generators in accordance with the methodology prescribed by CERC in its earlier order dated March 8, 2019. The matter is currently pending.

(clxiii) An appeal has been filed by Gujarat Urja Vikas Nigam Limited ("**Appellant**") before APTEL against Aryan Coal Beneficiation Private Limited and others challenging the order dated December 7, 2019 passed by Gujarat Electricity Regulatory Commission ("**GERC**") pursuant to which GERC held the Appellant liable to pay liquidated damages for a delay of 11 days in construction of transmission lines resulting in consequent delay in operationalization of long term access and that the delay was attributable solely to the Appellant. The matter is currently pending.

(clxiv) An appeal has been filed by Essar Power Gujarat Limited ("**Appellant**") before APTEL against CERC and others, challenging the order dated August 30, 2019 passed by CERC pursuant to which CERC held that the Appellant could not be granted relaxation on the ground of force majeure conditions and held that the Appellant is liable to pay the relinquishment charges as computed by POWERGRID. The matter is currently pending.

(clxv) An appeal has been filed by Essar Power M P Limited and others ("**Appellant**") before APTEL against CERC and others, challenging the order dated January 21, 2020 passed by CERC pursuant to which CERC refused to declare 400 kV Vindhyachal-Korba transmission line at Mahan as a permanent transmission line and that the generating station was liable to pay the transmission charges for the LILO line. The matter is currently pending.

(clxvi) An appeal has been filed by Vedanta Limited ("**Appellant**") before APTEL against CERC and others, challenging the order dated February 5, 2020 passed by CERC pursuant to which CERC held the Appellant liable for payment of relinquishment charges and accordingly directed the Appellant to extend the validity of bank guarantee. The appeal has been filed by Appellant for return of balance bank guarantee. The matter is currently pending.

(clxvii) An appeal has been filed by POWERGRID before the Supreme Court against CERC and others, against the order dated May 19, 2020 passed by APTEL pursuant to which APTEL had set aside the order dated July 12, 2016 passed by CERC wherein CERC held that PEL Power Limited is not liable to pay transmission charges as neither the transmission project was complete not long term access was operationalized at the time when PEL Power Limited intimated the occurrence of force majeure event. The matter is currently pending.

(clxviii) Two petitions have been filed by Acme Solar Holdings Private Limited and others ("**Appellants**") before CERC against POWERGRID and others seeking extension of the timelines of various milestones as defined in the power purchase agreement and transmission service agreements for certain transmission projects. The matter is currently pending.

(clxix) An appeal has been filed by Sarda Energy and Minerals Limited before APTEL against CERC and others, challenging the order dated September 29, 2017 passed by CERC pursuant to which CERC held that impossibility and frustration of the long term access had not taken place and accordingly, the Appellant was liable to pay the relinquishment charges. The matter is currently pending.

(clxx) A petition has been filed by Madhya Bharat Power Corporation Limited before CERC against POWERGRID seeking, among others, declaration of various events that led to relinquishment of 96 MW of long term access as force majeure events in terms of Clause 9 of the Bulk Power Transmission Agreement dated February 24, 2010 and exemption from payment of relinquishment charges as a consequence thereof. The matter is currently pending.

(clxxi) A petition has been filed by Azure Power India Private Limited against POWERGRID before CERC seeking directions from CERC regarding extension of the commencement date of the long term access and the date for completion of dedicated transmission line and pooling substation. In terms of Detailed Procedure for Grant of Connectivity to Projects Based on Renewable Sources to Inter-State Transmission System, 2018" which was notified by CERC on May 15, 2018, the stage-II connectivity grantees were required to complete the construction of dedicated transmission line and pooling substation within 24 months from the date of intimation of bay allocation. The matter is currently pending.

(clxxii) A petition has been filed by Dhariwal Infrastructure Limited against POWERGRID before CERC seeking directions regarding implementation of closed bus operation of certain units at 2x300 MW coal-based thermal generating station located at Tadali, Chandrapur, in the state of Maharashtra. The matter is currently pending.

(clxxiii) A petition has been filed by PTC India Limited ("**Petitioner**") against POWERGRID and others before CERC against the demand made by POWERGRID towards payment of relinquishment charges in respect of 144 MW free power share of Government of Sikkim and for seeking a declaration that the long term open access was neither granted nor applicable to the Petitioner in respect of the project. The matter is currently pending.

(clxxiv) A petition has been filed by Shapoorji Pallonji Infrastructure Capital Company Private Limited ("**Petitioner**") against POWERGRID before CERC seeking declaration that the transmission service agreement dated August 28, 2019, transmission connectivity agreement dated March 5, 2019 and the long term access agreement dated August 28, 2019 are rendered impossible to perform and thereby void and sought further directions to restrain POWERGRID from invoking the bank guarantees provided by the Petitioner. The matter is currently pending.

(clxxv) A petition has been filed by Mytrah Energy (India) Limited ("**Petitioner**") against POWERGRID before CERC seeking declaration that the termination of the long term access agreement dated December 7, 2018 was legally and contractually valid and accordingly, it is not liable to pay any transmission charges and the Petitioner has further prayed for the release of bank guarantee issued to POWERGRID. The matter is currently pending.

(clxxvi) An appeal has been filed by Chhattisgarh State Power Distribution Company Limited ("**Appellant**") before APTEL against CERC challenging the order dated December 9, 2015 passed by CERC in relation to the grant of transmission license which was not allowed by CERC. POWERGRID has been made a proforma party in the matter. Subsequently, another appeal was filed by the Appellant. The matters are currently pending.

(clxxvii) Two petitions have been filed by Talcher-II Transmission Company Limited and North Karanpura Transmission Company Limited respectively against POWERGRID before CERC seeking clarification regarding requirement/redundancy of certain transmission projects as a whole or in part. The matters are currently pending.

(clxxviii) A petition has been filed by PTC India Limited ("**Petitioner**") and others against Punjab State Power Corporation Limited and others (including POWERGRID) contending that the Petitioner was not liable to pay the relinquishment charges as the Petitioner did not off-take power in terms of the back to back power supply agreements dated September 15, 2006. The matter is currently pending.

(clxxix) A petition has been filed by PTC India Limited against POWERGRID and others before CERC praying for setting aside the letters dated October 10, 2018 and November 5, 2018 regarding opening of letter of credit in respect of 216 MW long term open access on target basis. The matter is currently pending.

(clxxx) A petition has been filed by Acme Solar Holdings Private Limited ("**Petitioner**") against POWERGRID and others before CERC pertaining to the opening of letter of credit towards payment security mechanism for operationalisation of 250 MW medium term open access. CERC vide order dated October 4, 2019 ("**CERC Order**") directed POWERGRID to notify the likely date of operationalisation of medium term open access in order for the Petitioner to take appropriate steps for synchronization of the transmission project. Subsequently, CERC passed an order declining to extend the interim relief granted pursuant to the CERC Order. The matter is currently pending.

(clxxxi) A petition has been filed by Kerala State Electricity Board Limited against POWERGRID and others before CERC disputing the liability towards payment of relinquishment charges for the granted medium term open access and prayed for quashing the demand of relinquishment charges issued by POWERGRID. The matter is currently pending.

(clxxxii) An appeal has been filed by West Bengal State Electricity Transmission Company Limited before APTEL against CERC and others challenging the order dated January 29, 2018 passed by CERC pursuant to which CERC set aside the letter dated May 24, 2017 issued by POWERGRID and directed POWERGRID to grant connectivity to another power transmission company. POWERGRID has been made a proforma party in the matter. The matter is currently pending.

(clxxxiii) A petition has been filed by Raigarh Energen Private Limited against POWERGRID and other before CERC disputing the liability of ₹ 14,297.52 million towards transmission charges raised by POWERGRID by way of letters dated November 7, 2019 and November 8, 2019 respectively and has further contended that POWERGRID did not claim the aforesaid amount before the resolution professional or NCLT. The matter is currently pending.

(clxxxiv) A writ petition has been filed by NSL Nagapatnam Infrastructure Private Limited before the High Court of Delhi against CERC and others in relation to the encashment of bank guarantee by POWERGRID. The matter is currently pending.

(clxxxv) An appeal has been filed by Power Company of Karnataka Limited and others ("**Appellant**") against Southern Regional Load Despatch Centre and other before APTEL challenging the order dated December 19, 2017 passed by CERC pursuant to which CERC held the Appellant liable to pay the injection charges for the entire quantum of long term access and the drawal charges for the LTA quantum. The matter is currently pending.

(clxxxvi) An appeal has been filed by North Eastern Electric Power Corporation Limited ("**Appellant**") against POWERGRID before APTEL in relation to an order passed by CERC pursuant to which CERC held the Appellant, being a power generating company, liable to pay the transmission charges at the specified rates on the quantum of electricity delivered for transfer under unscheduled inter-change. The matter is currently pending.

(clxxxvii) An appeal has been filed by Uttar Pradesh Power Transmission Corporation Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated October 1, 2019 passed by CERC pursuant to which CERC condoned the time over-run on the part of POWERGRID and held that the transmission charges from COD of the respective assets shall be borne by the Appellant till commissioning of the downstream system and the transmission charges shall be recovered on a monthly basis in accordance with the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2014. The matter is currently pending.

(clxxxviii) An appeal was filed by GMR Kamalanga Energy Limited ("**Appellant**") against POWERGRID before APTEL challenging the notice for regulation of power supply dated November 26, 2020 issued by POWERGRID. However, in light of the order dated January 29, 2021 passed by the Supreme Court wherein the Supreme Court held that APTEL has no powers to decide the disputes and can only pass directions to the state commissions, the appeal filed by the Appellant was withdrawn. Subsequently, the Appellant filed a petition before CERC seeking to quash the demand of transmission charges amounting to ₹ 392.30 million raised by POWERGRID. The matter is currently pending.

(clxxxix) An appeal has been filed by POWERGRID against CERC and others before APTEL challenging the order dated November 1, 2019 passed by CERC pursuant to which CERC condoned the delay of 1507 days for the transmission asset, namely, Salem Pooling Station-Madhugiri Pooling Station 765 kV S/C Line (initially charged at 400 kV) along with associated bays and equipments at Salem PS and Madhugiri PS and 400 kV 63 MVAR line reactor at Madhugiri end only of the Salem Pooling Station-Madhugiri 765 kV S/C Line (initially charged at 400 kV) under common system associated in Tuticorin Area-Part-B" in southern region and disallowed the proportionate increase in IEDC accrued due to the said delay and restricted the IEDC to 5% hard cost.

(cxc) A petition has been filed by Ostro Kutch Wind Private Limited against POWERGRID before CERC seeking extension of the date of opening of the letter of credit with respect to balance long term access of 50 MW capacity and has further sought an exemption from payment of point of connection charges as demanded by POWERGRID by way of a letter dated May 21, 2019 till the commissioning of the 50 MW transmission project. The matter is currently pending.

(cxci) An appeal has been filed by Raipur Energen Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated March 8, 2019 passed by CERC pursuant to which CERC, among others, rejected the prayer of force majeure of Appellant and held the Appellant liable to pay the relinquishment charges calculated by POWERGRID. The matter is currently pending.

(cxcii) An appeal has been filed by SKS Power Generation (Chattisgarh) Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated March 8, 2019 passed by CERC pursuant to which CERC directed the Appellant to pay the relinquishment charges to POWERGRID and in the event of non-payment, POWERGRID shall be entitled to encash the bank guarantee. The matter is currently pending.

(cxciii) POWERGRID has filed a review petition against Simhapuri Energy Limited before CERC challenging the order dated February 5, 2020 passed by CERC pursuant to which CERC held one of the respondents liable to pay the transmission charges for the 146 MW long term access with effect from December 11, 2015 i.e. the date on which the last element of the associated transmission system under the long term access was commissioned. The matter is currently pending.

(cxciv) A petition has been filed Vaayu Renewable Energy (Mevasa) Private Limited ("**Appellant**") against POWERGRID before CERC for relinquishment of connectivity and release of bank guarantee dated August 16, 2018 issued by the Appellant contending that certain conditions of the transmission agreement were impossible to be performed due to the events subsequent to the execution of transmission agreement. The matter is currently pending.

(cxcv) A petition has been filed by Adani Wind Energy Kutchh One Limited ("**Petitioner**") against Solar Energy Corporation of India Limited and others before CERC claiming relief on account of force majeure events which delayed the solar power project of the Petitioner and further requested for a direction to release the bank guarantee issued by the Petitioner amounting to ₹ 500 million. The matter is currently pending.

(cxcvi) An appeal has been filed by SKS Power Generation (Chattisgarh) Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated February 5, 2020 passed by CERC pursuant to which CERC, among others, rejected Appellant's plea of force majeure and held the Appellant liable for payment of relinquishment charges calculated by POWERGRID in relation to a certain transmission project. The matter is currently pending.

(cxcvii) An appeal has been filed by NRSS XXXI (B) Transmission Limited ("**Appellant**") against CERC and others before APTEL challenging the order passed by CERC pursuant to which CERC had condoned delay in the commissioning of associated transmission assets of the Appellant but did not allow the Appellant to capitalize the claim of IDC and IEDC imposed on the Appellant. The matter is currently pending.

(cxcviii) An appeal has been filed by Punjab State Electricity Transmission Corporation Limited ("**Appellant**") against CERC and others before APTEL challenging the order passed by CERC pursuant to which CERC held, among others, that transmission charges from with effect from March 25, 2019 till the date of commissioning of associated 220 kV downstream network of the Appellant shall be borne by the Appellant. The matter is currently pending.

(cxcix) POWERGRID has filed an appeal challenging the order dated April 6, 2015 ("**CERC Order**") passed by CERC pursuant to which CERC directed that 80% of the acquisition price incurred for acquisition of VTL shall be reimbursed by Samalkot Power Limited ("**SPL**") and Spectrum Power Generation Limited ("**SPGL**") to POWERGRID. Subsequently, appeals were filed by SPL and SPGL as well. For further details, see "*Litigation involving Associates of the Sponsor – F. POWERGRID Vemagiri Transmission Limited ("VTL")* on page 219.

(cc) POWERGRID has filed a review petition against Lanco Amarkantak Power Limited before CERC seeking review of the order dated June 9, 2020 passed by CERC pursuant to which CERC held that termination of transmission service agreement and termination of long term access for failure to complete a certain generation project as a continuing cause of action. The matter is currently pending.

(cci) An appeal has been filed by Himachal Pradesh State Electricity Board ("**Appellant**") challenging the order passed by CERC before APTEL pursuant to which CERC held that a certain element of the transmission system cannot be put to use till establishment of the transmission network by the Appellant and hence the Appellant is liable to pay its share of the transmission charges. The matter is currently pending. For further details, see "*Litigation involving the Trust – B. PKATL – Regulatory Matters*" on page 216.

(ccii) An appeal has been filed by Mytrah Energy (India) Limited against POWERGRID before APTEL praying for quashing of letter dated September 9, 2020 issued by POWERGRID for invocation of bank guarantee dated August 10, 2018. The matter is currently pending.

(cciii) A petition has been filed by Inox Wind Infrastructure Services Limited ("**Petitioner**") against POWERGRID before CERC seeking directions from the CERC to allow the LTA and connectivity from the Petitioner to its four special purpose vehicles in accordance with the applicable regulations. The matter is currently pending.

(cciv) A petition has been filed by Essar Power Transmission Company Limited against POWERGRID and others before CERC for segregation of the tariff of LILO of 400kV S/C Vindhyachal – Korba transmission line at Mahan from stage I combined transmission assets and determination of certain charges including tariff of the LILO for the period between 2013 and 2014. The matter is currently pending.

(ccv) An appeal has been filed by NRSS XXXI (B) Transmission Limited ("**Appellant**") against CERC and others before APTEL challenging the order dated January 7, 2020 passed by CERC pursuant to which CERC directed that transmission charges for the period between December 1, 2016 and January 17, 2017, for certain transmission assets be recovered from the Appellant as the commercial operations date of the transmission assets was achieved on January 17, 2017. The matter is currently pending.

(ccvi) An appeal has been filed by Himachal Sorang Power Private Limited ("**Appellant**") against CERC and others before APTEL challenging the order passed by CERC and contending that the order passed by CERC is against the interim protection granted by APTEL in another matter vide order dated November 30, 2018 and December 21, 2018 pursuant to which APTEL directed POWERGRID to not take any coercive actions for recovery of unpaid dues from the Appellant. The matter is currently pending.

(ccvii) An appeal has been filed by POWERGRID against CERC and others before APTEL challenging the order dated February 15, 2021 passed by CERC contending that CERC had erroneously rejected POWERGRID's prayer for considering the revised apportioned capital cost for the period between 2009 and 2014. The matter is currently pending.

(ccviii) A writ petition has been filed by Tamil Nadu Generation and Distribution Company Limited against Union of India and others before the Madras High Court challenging the CERC Sharing Regulations. The matter is currently pending.

(ccix) A review petition has been filed by Mytrah Energy (India) ("**Petitioner**") Limited seeking review of the order dated August 6, 2019 passed by CERC pursuant to which CERC held, among others, that the Petitioner is liable to make payment of (a) transmission charges with respect to its 75MW asset from the date of operationalisation of long term open access transmission asset of POWERGRID till date of commissioning of the generating asset; and (b) transmission charges as per the start date of long term open access given in the long term open access agreement till commissioning of the generating asset. The matter is currently pending.

(ccx) A writ petition has been filed by TANGEDCO in Madras High Court against Union of Indi and others challenging the validity of CERC Sharing Regulations and praying for CERC Sharing Regulations to be declared as arbitrary, unconstitutional and being ultra vires the Electricity Act and the National Tariff Policy, 2006. The matter is currently pending.

(ccxi) An appeal has been filed by Chhattisgarh WR Transmission Limited against CERC before APTEL for seeking a declaration that re-route of the line in line out of one circuit of 765 kV D/C Aurangabad-Padghe transmission line at Shikarpur, is a force majeure event under the transmission service agreement dated June 24, 2015 and further seeking extension of time period for achieving the Scheduled COD of the transmission project. The matter is currently pending.

(ccxii) A petition has been filed by Saurya Urja Company of Rajasthan Limited ("**Petitioner**") against POWERGRID and others before CERC seeking direction from CERC to release the bank guarantee issued by the Petitioner to POWERGRID in relation to certain transmission project. The matter is currently pending.

Other material matters

(i) Two writ petitions have been filed by M.P. Power Transmission Company Limited ("**Appellants**") before the High Court of Madhya Pradesh challenging the order dated January 27, 2020 passed by CERC. For further details, see *"Litigation involving the Sponsor and Project Manager – Regulatory Matters - lxxviii"*.

V. Litigation involving the Investment Manager

There is no criminal or regulatory matter involving the Investment Manager. Further, there is no other matter which exceeds the materiality threshold involving the Investment Manager.

VI. Litigation involving the Associates of the Investment Manager

Please see the section entitled "*-Litigation involving the Associates of the Sponsor*" above.

VII. Litigation involving the Trustee

(i) Hubtown Limited (the "**Plaintiff**') had filed a case before the High Court of Bombay against the Trustee and its directors (the "**Defendants**") for having informed the bankers of the Plaintiff regarding the defaults committed by the Plaintiff. The Trustee has stated that the Plaintiff is a guarantor for the debt for which the Trustee is acting as a debenture trustee and in case of defaults, the relevant documents authorize the Trustee to share information about such default to CIBIL/RBI and other creditors. The aggregate amount claimed is ₹ 3,000 million. The matter is currently pending in the court for settlement.

(ii) SBI Cap Trustee (the "**Plaintiff**') had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is ₹ 1,550.30 million. The matter is pending.

(iii) Balmer Lawrie and Company Limited and another (the "**Plaintiffs**") had filed a petition before the Calcutta High Court against the Trustee and certain others (the "**Defendant**s") challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹ 237.12 million and (b) interest at the rate of 18% per annum on the decreetal amount. The matter is currently pending.

(iv) Loancore Servicing Solutions Private Limited (the "**Petitioner**") had filed a Company petition no. 293/59/ND/2019 before the National Company Law Tribunal ("**NCLT**"), Principal Bench at New Delhi against Religare Enterprise Limited and others including the Trustee (the "**Respondents**") alleging that the Respondents sold the shares of the Religare Enterprise Limited under the dominion and control of the Petitioners to Respondent no. 3 to 5. It is further alleged that the Trustee appropriated the shares and had transferred them to the Respondents nos. 3 to 5. It is furthermore alleged that the pledged shares had been sold to consciously deprive the Petitioners of their rights and to facilitate an illegal takeover of Respondent no. 1 by the Trustee through Respondent no.5 acting in concert. The alleged damages claim amount is ₹ 700 million against the Respondent nos. 2 to 5. The NCLT has refused to pass any interim orders as asked by the Petitioner. The Petitioner has failed to produce any evidence or otherwise establish that it has any form of contractual privity or other relationship of any manner with the Trustee and therefore has absolutely no locus to make any claims against the Trustee. The success of the Petitioner against the Trustee in the instant petition being agitated is remote. However, as the petition is pending before the NCLT, Delhi.

SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by the Parties to the InvIT or the Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. BSE and NSE together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the SCRA and the SCRR. SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018 (the "**SCR (SECC) Regulations**"), which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign institutional investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Securities

The InvIT Regulations provide for listing and delisting of units of InvITs on and from the Stock Exchanges.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1956, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India. Pursuant to the BSE (Corporatization and Demutualization) Scheme 2005 of SEBI, with effect from August 19, 2005, BSE was incorporated as a company under the Companies Act, 1956. The equity shares of BSE were listed on NSE on February 3, 2017.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of NSE.

Trading Hours

Trading on both NSE and BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. 1ST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). BSE and NSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to the condition that (i) the trading hours are between 9.00 a.m. and 5.00 p.m.; and (ii) the stock exchange has in place a risk management system and infrastructure commensurate to the trading hours.

Trading Procedure

In order to facilitate smooth transactions, BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen based trading in securities was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners. The depository system has significantly improved the operation of the Indian securities markets.

RIGHTS OF UNITHOLDERS

The rights and interests of Unitholders are contained in this Final Offer Document and the InvIT Regulations. Under the Trust Deed and the Investment Management Agreement, these rights and interests are safeguarded by the Trustee and the Investment Manager. Any rights and interests of Unitholders as specified in this Final Offer Document would be deemed to be amended to the extent of any amendment to the InvIT Regulations.

Beneficial Interest

Each Unit represents an undivided beneficial interest in the Trust. A Unitholder has no equitable or proprietary interest in the InvIT Assets of the Trust and is not entitled to transfer of the InvIT Assets (or any part thereof) or any interest in the InvIT Assets (or any part thereof) of the Trust. A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

Ranking

No Unitholder of the Trust shall enjoy superior voting or any other rights over another Unitholder. Further, there shall not be multiple classes of Units of the Trust.

Redressal of grievances

The Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager. The stakeholders' relationship committee of the Investment Manager shall monitor the status of complaints and their redressal. For details, please see the section entitled "*Corporate Governance*" on page 119.

Distribution

The Unitholders shall have the right to receive distribution in accordance with the InvIT Regulations and in the manner set forth in this Final Offer Document. For details, please see the section entitled "*Distribution*" on page 194.

Meeting of Unitholders

Meetings of Unitholders will be conducted in accordance with the InvIT Regulations.

Passing of resolutions

1. With respect to any matter requiring approval of the Unitholders:

   (i) a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage as specified in the InvIT Regulations, of votes cast against;

   (ii) the voting may be done by postal ballot or electronic mode;

   (iii) a notice of not less than 21 days shall be provided to the Unitholders;

   (iv) voting by any Unitholder (including, the Sponsor in its capacity as a Unitholder), who is a related party in such transaction, as well as associates of such Unitholder(s) shall not be considered on the specific issue; and

   (v) the Investment Manager shall be responsible for all the activities pertaining to conducting of meeting of the Unitholder, subject to overseeing by the Trustee.

   Provided that for issues pertaining to the Investment Manager, including a change in Investment Manager, removal of Investment Manager or change in control of Investment Manager; the Trustee shall convene and handle all activities pertaining to conduct of the meetings. Provided further that, for issues pertaining to the Trustee, including change in Trustee, the Trustee shall not be involved in any manner in the conduct of the meeting.

2. Further, with respect to the Trust:

   (i) an annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of each financial year and the time between two meetings shall not exceed 15 months;

   (ii) with respect to the annual meeting of Unitholders,

      (a) any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the meeting including:

- latest annual accounts and performance of the Trust;
- approval of auditor and fee of such auditor, as may be required;
- latest valuation reports;
- appointment of valuer, as may be required; and
- any other issue; and

(b) for any issue taken up in such meetings which require approval from the Unitholders other than as specified in Regulation 22(6) of the InvIT Regulations, votes cast in favour of the resolution shall be more than the votes cast against the resolution.

3. In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall be more than the votes cast against the resolution:

(i) any approval from Unitholders required in terms of Regulation 18 (*Investment conditions and dividend policy),* Regulation 19 (*Related party transactions)* and Regulation 21 *(Valuation of assets*) of the InvIT Regulations;

(ii) any transaction, other than any borrowing, the value of which is equal to or greater than 25% of the assets of the Trust;

(iii) any borrowing in excess of specified limit as required under Regulation 20(3)(a) of the InvIT Regulations;

(iv) any issue of Units after initial public offer by the Trust, in whatever form, other than any issue of Units which may be considered by SEBI, under Regulation 22(5) of the InvIT Regulations;

(v) increasing period for compliance with investment conditions to one year in accordance with Regulation 18(5)(c) of the InvIT Regulations;

(vi) any issue, in the ordinary course of business, which in the opinion of the Sponsor or Trustee or Investment Manager, is material and requires approval of the Unitholders, if any;

(vii) de-classification of the status of Sponsor; and

(viii) any issue for which SEBI or the designated stock exchanges requires approval.

4. In case of the following, approval from Unitholders shall be required where votes cast in favour of the resolution shall not be less than one and a half times the votes cast against the resolution:

(i) any change in the Investment Manager, including removal of the Investment Manager or change in control of the Investment Manager;

(ii) any material change in investment strategy or any change in the management fee of the Trust;

(iii) the trustee and Investment Manager proposing to seek delisting of units of the Trust;

(iv) any issue, not in the ordinary course of business, which in the opinion of the Sponsor or Investment Manager or Trustee requires approval of the Unitholders;

(v) any issue for which SEBI or the designated stock exchanges requires approval;

(vi) any issue taken up on request of the Unitholders including:

(a) removal of the Investment Manager and appointment of another investment manager to the Trust;

(b) removal of the auditor and appointment of another auditor to the Trust;

(c) removal of the valuer and appointment of another valuer to the Trust;

(d) delisting of the Trust, if the Unitholders have sufficient reason to believe that such delisting would act in the interest of the Unitholders;

(e) any issue which the Unitholders have sufficient reason to believe that is detrimental to the interest of the

Unitholders; and

(f) change in the Trustee if the Unitholders have sufficient reason to believe that acts of such Trustee is detrimental to the interest of the Unitholders.

With respect to the right(s) of the Unitholders under clauses 4(vi) above:

(a) not less than 25% of the Unitholders by value, other than any party related to the transactions and its associates, shall apply, in writing, to the Trustee for the purpose;
(b) on receipt of such application, the Trustee shall require, with the Investment Manager to place the issue for voting in the manner as specified in the InvIT Regulations; and
(c) with respect to clause 4(vi)(f) above, not less than 60% of the Unitholders by value shall apply, in writing, to the trustee for the purpose.

5. In case any person, other than Sponsor, its related parties and its associates, wants to acquire Units which taken together with Units held by it and by persons acting in concert with such person, in the Trust, exceeds 25% of the value of the outstanding Units, approval shall be obtained from 75% of the Unitholders by value excluding the value of the Units held by the parties related to the transaction. If the required approval is not received, the person acquiring the Units shall provide an exit option to the dissenting Unitholders to the extent and in the manner as may be specified by SEBI.

6. In case of any change in sponsor or induction of sponsor or change in control of sponsor or inducted sponsor, approval shall be obtained from 75% of the Unitholders by value excluding the value of the Units held by the parties related to the transaction, prior to such changes. If the required approval is not received, the dissenting Unitholders are required to be provided an exit option in the manner specified under the InvIT Regulations.

7. In case of any borrowing by the Trust in terms of the limit specified in Regulation 20(3)(b) of the InvIT Regulations, approval from 75% of the Unitholders by value shall be obtained.

8. For delisting of units of the Trust in terms of the InvIT Regulations, approval from not less than 90% of the Unitholders by value shall be required and exit shall be provided to dissenting Unitholders.

Information rights

The Investment Manager, on behalf of the Trust, shall also submit such information to the Stock Exchanges and Unitholders on a periodical basis, as may be required under the InvIT Regulations and the Listing Agreement. The Investment Manager (on behalf of the Trust) shall disclose to the Stock Exchanges, Unitholders and SEBI, all such information and in such manner as specified by SEBI, including under the InvIT Regulations and the SEBI circular no. CIR/IMD/DF/127/2016 dated November 29, 2016. The Investment Manager, on behalf of the Trust, shall also provide disclosures or reports specific to the sector or sub-sector in which the Trust has invested or proposes to invest, in the manner as may be specified by SEBI.

For further details about the rights of the Unitholders, please see the sections entitled "*Parties to the Trust - Key Terms of the Trust Deed*" and "*Corporate Governance – Policies of the IM Board in relation to the Trust*" on pages 93 and 122, respectively.

Buyback and Delisting of Units

Any buyback or delisting of Units, will be in accordance with the InvIT Regulations.

For additional details in relation to rights of Unitholders, please see the section entitled "*Parties to the Trust*" on page 92.

OFFER STRUCTURE

Initial public offer of 773,499,100* Units by the Trust for cash at price of ₹ 100 per Unit aggregating to ₹ 77,349.91 million comprising a Fresh Issue of 499,348,300* Units aggregating to ₹ 49,934.83 million by the Trust and an Offer for Sale of 274,150,800* Units aggregating to ₹ 27,415.08 million by the Selling Unitholder. This Offer is being made through the Book Building Process. This Offer constitutes at least 10% of the total outstanding Units on a post-Offer basis.

* *Subject to finalisation of Basis of Allotment*

Particulars	Institutional Investors(1)	Non-Institutional Investors
Number of Units available for Allotment/allocation (2)	Not more than 580,123,500# Units	Not less than 193,375,600# Units
Percentage of Offer Size available for Allotment/allocation	Not more than 75% of the Offer Size(1)	Not less than 25% of the Offer Size
Basis of Allotment/ allocation if respective category is oversubscribed	Proportionate	Proportionate
Minimum Bid	Such number of Units that the Bid Amount is not less than ₹100,000 and in multiples of 1,100 Units thereafter	Such number of Units that the Bid Amount is not less than ₹ 100,000 and in multiples of 1,100 Units thereafter
Maximum Bid	Such number of Units (in multiples of 1,100 Units) not exceeding the size of this Offer, subject to applicable limits	Such number of Units (in multiples of 1,100 Units) not exceeding the size of this Offer, subject to applicable limits
Mode of Allotment	Compulsorily in dematerialised form	Compulsorily in dematerialised form
Bid Lot	1,100 Units and in multiples of 1,100 Units thereafter	1,100 Units and in multiples of 1,100 Units thereafter
Allotment Lot	1,100 Units and in multiples of 1,100 Units thereafter	1,100 Units and in multiples of 1,100 Units thereafter
Trading Lot*	100 Units	100 Units
Who can apply(3)	(i) QIBs; or (ii) family trusts or systemically important non-banking financial companies registered with the Reserve Bank of India or intermediaries registered with SEBI, all with net-worth of more than ₹ 5,000 million, as per the last audited financial statements	Bidders other than Institutional Investors, eligible to apply in this Offer
Terms of Payment	Entire Bid Amount was payable at the time of submission of the Bid cum Application Form (including for Anchor Investors)(4)	Entire Bid Amount was blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form

(1) *The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers have allocated up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis.*

(2) *Subject to valid Bids being received at or above the Offer Price. This Offer has been made through the Book Building Process wherein not more than 75% of this Offer was available for allocation on a proportionate basis to Institutional Investors, provided that the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers have allocated up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis.*

(3) *In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only the First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Bidders are advised to consult their own advisors with respect to any restrictions or limitations that may be applicable to them, including any restrictions or limitations in relation to their ability to invest in the Units. By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Trustee, the Lead Managers and the Syndicate Member that it is eligible to participate in the Offer and be Allotted Units under applicable law.*

(4) *Bid Amount was payable by the Anchor Investors at the time of submission of the Bid cum Application Forms. The balance, if any, was paid within the pay-in date specified in the CAN.*

* *The Stock Exchanges will provide for an odd lot window to facilitate trading of odd lot Units that may be created from time to time on account of various events, including, for declaration of NAVs, declaration of dividend, buy-back of Units and for trading of Units below the trading lot.*

Subject to finalisation of basis of allotment.

In case of under-subscription in any investor category, the unsubscribed portion in either the Institutional Investor Portion or the Non-Institutional Investor Portion may be Allotted to Applicants in the other category at the discretion of the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers and the Designated Stock Exchange.

Indicative Offer Timeline

Event	Indicative Date
Bid/Offer Opening Date	April 29, 2021(1)
Bid/Offer Closing Date	May 3, 2021
Finalisation of the Basis of Allotment	On or about May 10, 2021
Closing Date	On or about May 11, 2021
Designated Date	On or about May 11, 2021
Initiation of refunds	On or about May 11, 2021
Listing Date	On or about May 17, 2021

(1) The Anchor Investor Bidding Date was one Working Day prior to the Bid/Offer Opening Date i.e. April 28, 2021.

The above timetable is indicative and does not constitute any obligation or liability on the Trust, the Investment Manager, the Selling Unitholder, the Trustee or the Lead Managers.

While the Investment Manager shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are taken within 12 Working Days of the Bid/Offer Closing Date, the timetable may change due to various factors, including any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids were accepted only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time) during the Bid/Offer Period (except the Bid/Offer Closing Date) at the Bidding Centres and the Designated Branches mentioned on the Bid cum Application Form. Bidders were not allowed to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage. It is clarified that Bids not uploaded on the electronic bidding system were rejected. Due to limitation of the time available for uploading the Bids on the Bid/Offer Closing Date, Bidders were advised to submit their Bids one day prior to the Bid/Offer Closing Date and, in any case, no later than 1.00 p.m. IST on the Bid/Offer Closing Date. Any time mentioned in the Offer Document is IST. Bidders were cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded were not considered for allocation under the Offer. Bids were accepted only on Business Days i.e. Monday to Friday (excluding any public holiday). None among the Trust, the Investment Manager, the Selling Unitholder, the Trustee or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment.

OFFER INFORMATION

Below is a summary, intended to provide a general outline of procedures for bidding, application, payment, Allocation and Allotment. The procedure followed in this Offer may differ from other issues, and investors are presumed to have apprised themselves of the same from the Investment Manager or the Lead Managers.

Bidders are advised to inform themselves of any restrictions or limitations that may be applicable to them and are required to consult their respective advisers in this regard. Bidders that apply in the Offer will be required to confirm and will be deemed to have represented to the Trustee, the Investment Manager, the Selling Unitholder, the Lead Managers and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Units. Bidders are also advised to make their independent investigations submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Units that can be held by them under applicable law or as specified herein. The Investment Manager, the Selling Unitholder, the Trustee, the Lead Managers, the Syndicate Member and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any Bidder on whether such Bidder is eligible to acquire the Units. The Investment Manager, the Selling Unitholder, the Trustee, the Lead Managers and Syndicate Member do not accept any responsibility for the completeness and accuracy of the information stated in this chapter and are not liable for any amendment, modification or change in the applicable law which may occur after the date hereof.

Authority for the Offer

The Trust is eligible for the Offer in accordance with Regulation 14(4) of the InvIT Regulations. The Fresh Issue was authorised and approved by the IM Board on January 21, 2021 and the Offer for Sale was authorised by the Selling Unitholder pursuant to the resolution passed by its board of directors dated January 19, 2021 and April 23, 2021.

For details on the authorisation of the Selling Unitholder in relation to the Offer, please see the section entitled "*The Offer*" on page 18.

The Trust has received the in-principle approval of BSE and NSE for the listing of the Units on BSE and NSE vide letters dated February 3, 2021 and February 2, 2021 from the BSE and NSE, respectively. The Investment Manager has filed a copy of the Draft Offer Document, the Offer Document and this Final Offer Document with SEBI and the Stock Exchanges.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction. The Units shall not be offered or sold where such offer or sale would require registration, qualification or listing.

Bidders should note that Allotment to successful Bidders will only be in the dematerialized form. Application Forms which do not have the details of the Bidders' demat accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Units will be traded only on the dematerialized segment of BSE and NSE.

Offer Procedure

This section applies to all Bidders. All Bidders other than Anchor Investors shall mandatorily participate in the Offer through the ASBA process. Bidders applying in this Offer should carefully read the provisions applicable to them before submitting a Bid through the ASBA process. All Bidders are required to pay the full Bid Amount at the time of Bidding, by way of instructing the relevant SCSB to block the full Bid Amount at the time of Bidding, or in the case of Anchor Investors, by making payment by electronic methods.

By making a Bid (including any revision thereof), the Bidder will be deemed to have represented to the Investment Manager, the Trustee, the Lead Managers and the Syndicate Member that it is eligible to participate in the Offer and be Allotted Units under applicable law. Bidders are also advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Units that can be held by them under applicable law or as specified herein.

Book Building Procedure

This Offer is being made through the Book Building Process, wherein not more than 75% of the Offer shall be available for allocation to Institutional Investors on a proportionate basis, provided that the Investment Manager and the Selling Unitholder may, in consultation with the Lead Managers, allocate up to 60% of the Institutional Investor Portion to Anchor Investors on a discretionary basis, in accordance with the InvIT Regulations and the SEBI Guidelines. Further, not less than 25% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors, subject to valid Bids being received at or above the Offer Price. In case of under-subscription in any category, the unsubscribed portion in any category may be Allotted to Bidders in the other category at the discretion of the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers and the Designated Stock Exchange.

Bidders do not have the right to withdraw or lower their Bid (in terms of number of Units or the Bid Amount) at any stage.

Bidders should note that Allotment to successful Bidders will be only in the dematerialized form. Bid cum Application Forms which do not have the details of the Bidders' depository accounts including DP ID, PAN and Client ID will be treated as incomplete and rejected. Bidders will not have the option of receiving Allotment in physical form. On Allotment, the Units will be traded only on the dematerialized segment of the Stock Exchanges.

Bid cum Application Form

Copies of the Bid cum Application Form and the abridged offer document have been made available at the offices of the Lead Managers, the Syndicate Member, the principal place of business of the Trust and the Designated Intermediaries at the Bidding Centres. An electronic copy of the Bid cum Application Form was also available on the websites of the SCSBs, NSE (www.nseindia.com) and BSE (www.bseindia.com). The Anchor Investor Application Forms have been made available at the principal place of business of the Trust and the registered office of the Investment Manager and the Lead Managers.

Bidders should use only the specified Bid cum Application Form bearing the stamp of a Designated Intermediary submitted at Bidding Centres (except in case of electronic Bid cum Application Forms), for the purpose of making a Bid in terms of the Offer Document. Bid cum Application Forms not being such specified stamp are liable to be rejected. Before being issued to Bidders, the Bid cum Application Form will be serially numbered.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. Anchor Investors are not permitted to participate in the Offer through the ASBA process. Bidders (other than Anchor Investors) must provide bank account details and authorisation to block funds in the relevant space provided in the Bid cum Application Form and Bid cum Application Forms that do not contain such details will be rejected.

The Bid cum Application Form will contain information about the Bidder and the price and number of Units that the Bidder wishes to Bid for. Bidders will have the option to make a maximum of three Bids in the Bid cum Application Form and such options will not be considered multiple Bids.

On filing of this Final Offer Document with SEBI and the Stock Exchanges, the Bid cum Application Form will be treated as a valid application form for Allotment of the Units. On submission of the completed Bid cum Application Form to a Designated Intermediary or the Lead Manager (in case of Anchor Investors), the Bidder is deemed to have authorized the Investment Manager to make the necessary changes in the Offer Document as may be required under the InvIT Regulations, the SEBI Guidelines and other applicable laws, for filing this Final Offer Document with SEBI and the Stock Exchanges without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

Category	Colour of Bid cum Application Form including Bid cum Application Form*
Resident Indians	White
Non-Residents including Eligible NRIs and FPIs and multilateral and bilateral development financial institutions, excluding Anchor Investors	Blue
Anchor Investors*	White

* *Bid cum Application Forms for Anchor Investors were made available at the principal place of business of the Trust and the registered office of the Lead Managers.*

Designated Intermediaries shall submit/deliver the Bid cum Application Forms of Bidders (other than Anchor Investors) to the respective SCSBs where the Bidder has a bank account and shall not submit it to any non-SCSB Bank or Escrow Collection Bank (unless such Escrow Collection Bank is also an SCSB).

Who can Bid?

Each Bidder should check if it is eligible to Bid under applicable law. Furthermore, certain categories of Bidders may not be permitted to Bid in the Offer or hold Units in excess of the limits specified under applicable law. Each Bidder (other than Anchor Investor) is required to Bid for a Minimum Bid Size of ₹ 0.1089 million.

The maximum subscription in the Offer from any investor other than the Sponsor, its related parties and its associates shall not exceed 25% of the total post-Offer outstanding Units.

The Parties to the Trust, the Selling Unitholder and the Lead Managers are not liable for any amendment or modification or change to applicable laws, which may occur after the date of this Final Offer Document. Bidders were advised to make their independent investigations and satisfy themselves that they are eligible to apply. Bidders are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law.

The Trustee, the Valuer and the employees of the Valuer who were involved in the valuation of the InvIT Assets were not permitted to Bid in this Offer.

The Units have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, 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. Accordingly, the Units are only being offered and sold (i) in the United States only to persons reasonably believed to be "qualified institutional buyers" (as defined in Rule 144A under the Securities Act and referred to in this Final Offer Document as "U.S. QIBs", for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in this Final Offer Document as "QIBs") in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Units have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Units within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

Units Offered and Sold within the United States

Each purchaser that is acquiring the Units offered pursuant to this Offer within the United States, by its acceptance of this Final Offer Document and of the Units, will be deemed to have acknowledged, represented to and agreed with the Trust and the Lead Managers that it has received a copy of this Final Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Units offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Units for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;

(4) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A, (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act, (iii) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder, if available, (iv) pursuant to another available exemption from the registration requirements of Securities Act, or (v) pursuant to an effective registration statement under the Securities Act, and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them;

(6) the Units are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Units;

(7) the purchaser will not deposit or cause to be deposited such Units into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Units are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act;

(8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Units;

(9) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT") OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(10) The Trust will not recognize any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(11) the purchaser acknowledges that the Trust, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Units Issued and Sold in this Offer

Each purchaser that acquires the Units offered pursuant to this Offer outside the United States, by its acceptance of this Final Offer Document and of the Units offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Trust and the Lead Managers that it has received a copy of this Final Offer Document and such other information as it deems necessary to make an informed investment decision and that:

(1) the purchaser is authorized to consummate the purchase of the Units offered pursuant to this Offer in compliance with all applicable laws and regulations;

(2) the purchaser acknowledges that the Units offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered, resold, pledged or transferred within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;

(3) the purchaser is purchasing the Units offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;

(4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Units offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Units was originated and continues to be located outside the United States and has not purchased such Units for the account or benefit of any person in the United Sates or entered into any arrangement for the transfer of such Units or any economic interest therein to any person in the United States;

(5) the purchaser is not an affiliate of the Trust or a person acting on behalf of an affiliate;

(6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Units, or any economic interest therein, such Units or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the

securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Trust determines, in its sole discretion, to remove them

(7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act in the United States with respect to the Units;

(8) the purchaser understands that such Units (to the extent they are in certificated form), unless the Trust determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE UNITS REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE SECURITIES ACT OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

(9) The Trust will not recognize any offer, sale, pledge or other transfer of such Units made other than in compliance with the above-stated restrictions; and

(10) the purchaser acknowledges that the Trust, the Lead Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Units are no longer accurate, it will promptly notify the Trust, and if it is acquiring any of such Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (each, a "**Relevant Member State**"), an offer to the public of any Units may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

(a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;

(b) to fewer than 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or

(c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Units shall result in a requirement for the Trust or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Units under, the offers contemplated in this Final Offer Document will be deemed to have represented, warranted and agreed to with the Underwriter and the Trust that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an "offer of to the public" in relation to any of the Units in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Units to be offered so as to enable an investor to decide to purchase or subscribe for the Units, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Units acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Units acquired by it in the Offer have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Units to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Units which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Trust, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Participation by Associates and affiliates of the Lead Managers and Syndicate Member

The Lead Managers and the Syndicate Member are not entitled to Bid for Units in this Offer in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the Lead Managers and Syndicate Member may Bid for Units in the Offer, either in the Institutional Investor Portion (excluding the Anchor Investor Portion) or in the Non-Institutional Investor Portion, where allocation will be on a proportionate basis, either on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Lead Managers shall be treated equally for the purpose of allocation to be made on a proportionate basis. Neither the Lead Managers nor any persons related to the Lead Managers (other than mutual funds, pension funds and insurance companies sponsored by entities related to the Lead Managers, AIFs sponsored by entities which are associates of the Lead Managers and FPIs sponsored by entities which are associates of the Lead Managers, subject to applicable law) can apply in the Offer under the Anchor Investor Portion.

Bids by Anchor Investors

The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers have allocated up to 60% of the Institutional Investor Portion on a discretionary basis to the Anchor Investors, in accordance with the InvIT Regulations and the SEBI Guidelines. The Institutional Investor Portion will be reduced in proportion to the allocation under the Anchor Investor Portion. Only Institutional Investors are eligible to invest in the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Investor Portion. In accordance with the InvIT Regulations and the SEBI Guidelines, the key terms for participation in the Anchor Investor Portion are provided below.

(i) Anchor Investors are not permitted to participate in the Offer through the ASBA process. Anchor Investor Application Forms will be made available for the Anchor Investor Portion at the principal place of business of the Trust, and the registered offices of the Investment Manager and the Lead Managers.

(ii) A Bid by an Anchor Investor must be for a minimum of such number of Units so that the Bid Amount is at least ₹ 100 million. A Bid cannot be submitted for more than 60% of the Institutional Investor Portion.

(iii) The Bidding for Anchor Investors will open one Working Day before the Bid/ Offer Opening Date and Allocation to Anchor Investors will be completed on the same day.

(iv) The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, will finalize allocation to the Anchor Investors on a discretionary basis, provided that the minimum number of Allottees in the Anchor Investor Portion will not be less than:

- two, where the allocation under Anchor Investor Portion is up to ₹ 2,500 million; and
- five, where the allocation under Anchor Investor Portion is over ₹ 2,500 million.

(v) Allocation to Anchor Investors will be completed on the Anchor Investor Bidding Date. The number of Units allocated to Anchor Investors and the Anchor Investor Allocation Price, will be available on the websites of the Stock Exchanges, the Sponsor, the Investment Manager and the Lead Managers, prior to the Bid/Offer Opening Date.

(vi) If the Offer Price is higher than the Anchor Investor Allocation Price, the additional amount being the difference between the Offer Price and the Anchor Investor Allocation Price will be payable by the Anchor Investors within two Working Days of the Bid/ Offer Closing Date. If the Offer Price is lower than the Anchor Investor Allocation Price, Allotment to successful Anchor Investors will be at the higher price, i.e., the Anchor Investor Allocation Price and the amount in excess of the Offer Price paid by Anchor Investors will not be refunded to them.

(vii) The Units Allotted in the Anchor Investor Portion will be locked in for a period of 30 days from the date of Allotment.

(viii) None of the Lead Managers or any person related to the Lead Managers (except mutual funds, insurance companies and pension funds sponsored by the Lead Managers or entities related to the Lead Managers, subject to applicable law) are permitted to participate in the Anchor Investor Portion. The parameters for selection of Anchor Investors will be clearly identified by the Lead Managers.

(ix) Bidding under both the Anchor Investor Portion and the Institutional Investor Portion will not be considered as multiple Bids.

(x) The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, reserves the right to reject any Bid received from Anchor Investors without assigning any reasons.

All Non-Resident Bidders including Eligible NRIs and FPIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission.

There is no reservation for NRIs, FPIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Anchor Investors cannot withdraw or lower the size of their Bids (in terms of number of Units or the Bid Amount) at any stage after submission of the Bid.

Bids by SEBI registered VCFs and AIFs

The SEBI VCF Regulations prescribe, amongst others, the investment restrictions on VCFs registered with SEBI under the said regulations. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Further, VCFs which have not re-registered as an AIF under the SEBI 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 SEBI 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. Under the SEBI AIF Regulations, Category I and II AIFs are permitted to invest not more than 25% of the investable funds in one "investee company" (which includes an InvIT) and Category III AIFs are permitted to invest not more than 10% of the investable funds in one "investee company". Allotments made to VCFs and AIFs in the Offer are subject to the rules and regulations that are applicable to each of them respectively.

Bids by Banking Companies

Bids may be made by banks as permitted by the RBI and is subject to conditions specified in the Prudential Guidelines – Banks' investment in units of REITs and InvITs dated April 18, 2017. In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Application Form. Banks may participate in public issuances by InvITs within the overall ceiling of 20% of their net worth permitted for direct investments in shares, convertible bonds/ debentures, units of equity-oriented mutual funds and exposures to VCFs, subject to the following conditions: (i) Banks should put in place a Board approved policy on exposures to the InvIT which lays down an internal limit on such investments within the overall exposure limits in respect of the real estate sector and infrastructure sector; (ii) Banks shall not invest more than 10% of the unit capital of an InvIT; (iii) Banks should ensure adherence to the prudential guidelines issued by RBI from time to time on Equity investments by Banks, Classification and Valuation of Investment Portfolio, Basel III Capital requirements for Commercial Real Estate Exposures and Large Exposure Framework, as applicable. Failing this, the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, reserves the right to reject the Bid.

Bids by LLPs

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Bid(s) may be rejected.

Bids by Provident Funds/Pension Funds

On March 2, 2015, the Ministry of Finance issued a notification allowing investments by non-government provident funds, super-annuation funds and gratuity funds up to 5% in infrastructure investment trusts, as specified. On May 29, 2015, the Ministry of Labour and Employment issued a notification allowing investments by provident funds up to 5% in infrastructure investment trusts, as specified. The Pension Fund Regulatory and Development Authority issued circulars dated June 3, 2015 and September 2, 2015, respectively, allowing investments by national pension funds up to 5% in infrastructure investment trusts, as specified. However such investments by provident funds and pension funds will be subject to, amongst others, the sponsor having a minimum of AA or equivalent rating from at least two credit rating agencies registered with SEBI. In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, the Bid(s) may be rejected.

Bids by NPS Schemes

The Pension Fund Regulatory and Development Authority issued circulars dated June 3, 2015 and September 2, 2015, respectively, allowing investments by national pension fund schemes ("**NPS Schemes**") up to 5% in infrastructure investment trusts, as specified. However, in accordance with the circular dated May 4, 2017 (effective from May 8, 2017), as amended by the circular dated May 8, 2018, issued by PFRDA, such investments by NPS Schemes will be subject to, amongst others, such securities having a minimum of AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered with SEBI. In case of Bids made by NPS Schemes, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, reserves the right to reject the Bid.

Bids by Insurance Companies

Bids may be made by insurance companies as permitted by the Insurance Regulatory and Development Authority of India in terms of the Master Circular – Investments, 2016 and the circular issued by the IRDAI entitled 'Investment in Units of Real Estate Investment Trusts (REIT) & Infrastructure Investment Trusts (InvIT)' and dated March 14, 2017. In case of Bids made by insurance companies registered with the IRDAI, a certified copy of the certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, reserves the right to reject the Bid. An insurer can invest not more than 3% of respective fund size of the insurer or not more than 5% of the units issued by a single InvIT, whichever is lower.

Bids 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 February 28, 2017 and any other circulars, notifications and guidelines issued thereunder). A mutual fund may invest in the Units subject to the following:

(a). No mutual fund under all its schemes shall own more than 10% of the units; and
(b). A mutual fund scheme shall not invest:

    (i). more than 10% of its NAV in the units issued by InvITs; and
    (ii). more than 5% of its NAV in the units,

provided that the limits mentioned in sub-clauses (i) and (ii) above shall not be applicable for investments in case of index fund or sector or industry specific scheme pertaining to InvITs.

Bids by Eligible NRIs

In accordance with Schedule IV of the FEMA Rules, Eligible NRIs, including companies, trusts and partnership firms incorporated outside India which are owned and controlled by NRIs, are permitted to purchase units issued by an 'investment vehicle' without any limit, either on the stock exchange or outside it. The FEMA Rules define an 'investment vehicle' to mean an entity registered and regulated under the regulations framed by the SEBI or any other authority designated for that purpose, including an InvIT governed by the SEBI.

Investments by Eligible NRIs in the Units shall be on a non-repatriation basis, and shall be deemed to be domestic investment at par with investments made by residents of India. Eligible NRIs may invest on a repatriation basis under Schedule VIII of the FEMA Rules and in compliance with applicable laws.

Bids by FPIs

Foreign Portfolio Investors (other than individuals, corporate bodies and family offices) are permitted to participate in the Offer subject to compliance with Schedule VIII of FEMA Rules. In case of Bids by FPIs the payment should be paid as inward remittance from abroad through banking channels or out of funds held in NRE, SNRR or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016, along with documentary evidence in support of the remittance. In case of Bids made by FPIs, a verified true copy of the certificate of registration issued by the designated depository participant under the SEBI FPI Regulations is required to be attached along with the Application Form, failing which the Investment Manager and the Selling Unitholder, in consultation with the Lead Manager, reserves the right to reject the Bid.

It is hereby clarified that bids received from FPIs bearing the same PAN shall be treated as multiple Bids and are liable to be rejected, except for Bids from FPIs that utilize the multiple investment manager structure in accordance with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations (such structure referred to as "**MIM Structure**"), provided such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs. Accordingly, it should be noted that multiple Bids received from FPIs, who do not utilize the MIM Structure, and bear the same PAN, are liable to be rejected. In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation in the Bid cum Application Forms that the relevant FPIs making multiple Bids utilize the MIM Structure. In the absence of such confirmation from the relevant FPIs, such multiple Bids shall be rejected.

Please note that, the maximum Bid by any Bidder including a QIB Bidder should not exceed the investment limits prescribed for them under applicable laws. Further, multiple Bids by a FPI Bidder utilising the MIM Structure shall be aggregated for determining the permissible maximum Bid. Further, please note that, Bid cum Application Forms are liable to be rejected in the event that the Bid in the Bid cum Application Form "*exceeds the Offer size and/or investment limit or maximum number of Units that can be held under applicable laws or regulations or maximum amount permissible under applicable laws or regulations, or under the terms of the Offer Document*".

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SCSBs. 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 such applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by Institutional Investors or bodies corporate, 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 submitted along with the Bid cum Application Form. Failing this, the Bid is liable to be rejected.

The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

Allotments, if any, made to FVCIs in the Offer are subject to the respective rules and regulations that are applicable to each of them.

The above information is given for the benefit of the Bidders. Each Bidder should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law. Certain categories of Bidders may not be allowed to Bid in the Offer or hold Units exceeding certain limits specified under applicable law.

The Parties to the Trust, the Selling Unitholder and the Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Final Offer Document. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Units that can be held by them under applicable law or regulation or as specified herein.

Maximum and Minimum Bid Size

(i) Each Bidder (other than an Anchor Investor) is required to Bid for a Minimum Bid Size of ₹ 0.1089 million and in multiples of 1,100 units thereafter.

(ii) No Bidder shall Bid for such number of Units which exceeds the Offer Size.

(iii) The maximum Bid by any Bidder including Institutional Investors should not exceed the investment limits prescribed for them under the applicable law.

The price and quantity options submitted by a Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Units Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid.

Information for the Bidders:

(i) The Offer Document has been filed by the Investment Manager with SEBI and the Stock Exchanges at least five Working Days before the Bid/Offer Opening Date.

(ii) After the filing of the Offer Document with SEBI and the Stock Exchanges, the Lead Managers/ Investment Manager shall make a pre-Offer advertisement on the websites of the Trust, the Sponsor, the Investment Manager and the Stock Exchanges. Further, such pre-Offer advertisement will also be published in all editions of Financial Express (a widely circulated English national daily newspaper) and in all editions of Jansatta (a widely circulated Hindi national daily newspaper with wide circulation in Haryana).

(iii) Any Bidder (who is eligible to invest in the Units) may obtain the abridged offer document or the Bid cum Application Form or both from the principal place of business of the Trust or from any Designated Intermediary at the Bidding Centres. Anchor Investor Application Forms will be made available at the principal place of business of the Trust and the registered office of the Investment Manager and the Lead Managers.

(iv) The Bid/Offer Period shall be for a minimum of three Working Days. In case the Price Band is revised, the Bid/Offer Period shall be extended for a minimum period of one Working Day, subject to the total Bid/Offer Period not exceeding 30 Working Days. In case of *force majeure*, banking strike or similar circumstances, the Bid/Offer Period may be extended for a minimum period of three Working Days, subject to the total Bid/Offer Period not exceeding 30 Working Days. The revised Price Band and Bid/Offer Period will be widely disseminated by notification to the SCSBs and Stock Exchanges, and also by indicating the change on the websites of the Trust, the Lead Managers, the Sponsor, the Investment Manager and the Stock Exchanges and at the terminals of the members of the Syndicate. In accordance with the InvIT Regulations and the SEBI Guidelines, the Price Band cannot be revised more than two times.

(v) The Designated Intermediaries will accept Bids during the Bid/Offer Period in accordance with the terms of the Offer Document, provided that the Lead Managers will accept the Bids from Anchor Investors only on the Anchor Investor Bidding Date.

(vi) The Bids should be submitted on the prescribed Bid cum Application Form only. Bids by ASBA Bidders will be accepted by the Designated Intermediaries at the Bidding Centres in accordance with applicable law and any circulars issued by SEBI in this regard. Bid cum Application Forms should bear the stamp of a Designated Intermediary. Bid cum Application Forms (except electronic Bid cum Application Forms) which do not bear the stamp of a Designated Intermediary are liable to be rejected.

(vii) The Bidding Centres will acknowledge the receipt of the Bid cum Application Forms by stamping and returning to the Bidder the Acknowledgement Slip. This Acknowledgement Slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

Instructions for completing the Bid Cum Application Form

Bidders may note that Bid cum Application Forms not filled completely or correctly as per instructions provided in the Offer Document and the Bid cum Application Form are liable to be rejected.

Bids must be:

(i) made only in the prescribed Bid cum Application Form or Revision Form, as applicable;

(ii) completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained here and in the Bid cum Application Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended shall not be considered for Allotment. Bidders should note that the members of the Syndicate and/or the SCSBs (as appropriate) will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms; and

(iii) in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

Bidders should also note that:

(i) information provided by Bidders will be uploaded in the online system by the Designated Intermediaries and the electronic data will be used to make allocation/Allotment. Bidders are advised to ensure that the details are correct and legible;

(ii) only the First Bidder is required to sign the Bid cum Application Form. Bidders should ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal; and

(iii) if the ASBA Account holder is different from the ASBA Bidder, the Bid cum Application Form should also be signed by the account holder as provided in the Bid cum Application Form.

General Instructions

Dos:

(i) Check if you are eligible to apply as per the terms of the Offer Document and under Applicable Laws and approvals;

(ii) Ensure that you have Bid within the Price Band;

(iii) Read all the instructions carefully and complete the relevant Bid cum Application Form;

(iv) Ensure that the details about the PAN, DP ID and Client ID are correct, and the Beneficiary Account is activated, as Allotment will be in dematerialized form only;

(v) Ensure that the Bids are submitted at the Bidding Centres only on the Bid cum Application Forms bearing the stamp of a Designated Intermediary;

(vi) Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form (other than in the case of Anchor Investors);

(vii) Ensure that your Bid is submitted at a Bidding Centre of a Designated Intermediary. Further, ensure that the Bid cum Application Form is signed by the ASBA Account holder if the Bidder is not the ASBA Account holder;

(viii) Ensure that the full Bid Amount is paid for Bids submitted by Anchor Investors and funds equivalent to the Bid Amount are blocked by the SCSBs in case of Bids submitted through the ASBA process;

(ix) Ensure that you have correctly checked the authorization/undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB via the electronic mode for the Designated Branch to block funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

(x) Instruct your respective banks to not release the funds other than in relation to this Offer, blocked in the ASBA Accounts;

(xi) Ensure that you request for and have received an Acknowledgement Slip for all your Bid options;

(xii) Ensure that you receive an Acknowledgement Slip from the Designated Intermediary for the submission of your Bid cum Application Form;

(xiii) Submit revised Bids at the same Bidding Centre of a Designated Intermediary, through which the original Bid was placed and obtain a revised Acknowledgement Slip, as the case may be;

(xiv) Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for Bidders 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 as per the Demographic Details evidencing the same. All other applications in which the PAN is not mentioned will be rejected;

(xv) In cases where the PAN is same, such Bids will be treated as multiple applications. Bidders should not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground. With effect from August 16, 2010, the demat accounts of Bidders for whom PAN details have not been verified shall be "suspended for credit" and no credit of Units pursuant to the Offer will be made into the accounts of such Bidders;

(xvi) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(xvii) In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;

(xviii) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant;

(xix) Ensure that the category and the Bidder status is indicated;

(xx) Ensure that in case of Bids under power of attorney or by limited companies, corporates, trusts, etc., relevant documents are submitted;

(xxi) Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws; and

(xxii) With respect to Bids by SCSBs, ensure that you have a separate account in your own name with any other SCSB having clear demarcated funds for applying under the ASBA process and that such separate account (with any other SCSB) is used as the ASBA Account with respect to your Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

(i) Do not Bid for lower than the Minimum Bid Size;

(ii) Do not submit a Bid without payment of the entire Bid Amount;

(iii) Do not Bid less than the Floor Price or higher than the Cap Price;

(iv) Do not Bid on another Bid cum Application Form after you have submitted a Bid;

(v) Do not pay the Bid Amount in cash, by money order or postal order or stockinvest and in relation to ABSA Bidders, in any other mode other than blocked amounts in the ASBA Accounts;

(vi) Do not send Bid cum Application Forms by post and only submit the same to a Designated Intermediary at a Bidding Centre;

(vii) Do not fill up the Bid cum Application Form such that the Units Bid for exceed, the Offer Size or investment limits, or the maximum number of Units that can be held or the maximum amount permissible under applicable laws or under the terms of the Offer Document;

(viii) Do not submit more than five Bid cum Application Forms per ASBA Account;

(ix) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;

(x) Do not submit incorrect details of DP ID, Client ID and PAN or give details for which demat account is suspended or for which such details cannot be verified by the Registrar;

(xi) Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process, other than in relation to the Offer;

(xii) Do not submit the Bid for an amount more than funds available in your ASBA Account;

(xiii) Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidders;

(xiv) Do not submit a Bid in case you are not eligible to acquire Units under applicable law or your relevant constitutional documents or otherwise;

(xv) Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per demographic details provided by the Depository;

(xvi) Anchor Investors should not Bid through the ASBA process;

(xvii) Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Units or the Bid Amount) at any stage; and

(xviii) Do not submit your Bid after May 3, 2021 on the Bid/Offer Closing Date.

Method and Process of Bidding

(i) The Investment Manager and the Lead Managers will declare the Bid/Offer Opening Date and Bid/Offer Closing Date at the time of filing the Offer Document with SEBI and the Stock Exchanges.

(ii) Post filing of the Offer Document with SEBI and the Stock Exchanges, the Lead Managers/ Investment Manager shall make a pre-Offer advertisement on the websites of the Sponsor, the Investment Manager and the Stock Exchanges. Further, such pre-Offer will also be published in all editions of Financial Express (a widely circulated English national daily newspaper) and in all editions of Jansatta (a widely circulated Hindi national daily newspaper with wide circulation in Haryana).

(iii) The Price Band will be decided by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers and shall be disclosed at least two Working Days prior to the Bid/Offer Opening Date on the websites of the Trust, the Sponsor, the Investment Managers and the Stock Exchanges and in the newspapers where the pre-Offer advertisement was published.

(iv) The Lead Managers will accept Bids from the Anchor Investors on the Anchor Investor Bidding Date, *i.e.* one Working Day prior to the Bid/Offer Opening Date. Bidders, except Anchor Investors, who are interested in subscribing to the Units should approach any of the Designated Intermediaries at Bidding Centres to register their Bids during the Bid/Offer Period. The Designated Intermediaries will accept Bids from all Bidders and will have the right to vet the Bids during the Bid/Offer Period in accordance with the terms of the Syndicate Agreement and/or the Offer Document. The Bid/Offer Period will be for at least three Working Days and not exceeding 30 Working Days (incl*uding* the days for which the Offer is open in case of revision in Price Band). If the Price Band is revised, the revised Price Band and the Bid/Offer Period will disclosed on the websites of the Trust, the Sponsor, the Investment Managers, Lead Managers, Syndicate Member, SCSBs and the Stock Exchanges and in the newspapers where the pre-Offer advertisement will be published.

(v) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (*i.e.*, the number of Units Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. In case of an upward revision in the Price Band, in the event the Bidder does not either revise the Bid or make additional payment and the Offer Price is higher than the Cap Price prior to revision, the number of Units Bid for will be adjusted downwards for the purpose of Allotment, such that no additional payment will be required from the Bidder and the Bidder shall be deemed to have approved such revised Bid. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Units at a specific price.

(vi) No Bidder shall either withdraw or lower its Bid at any stage.

(vii) After determination of the Offer Price, the maximum number of Units Bid for by a Bidder at or above the Offer Price will be considered for allocation/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(viii) Except in relation to the Bids received from the Anchor Investors, the Designated Intermediary will enter each Bid option into the electronic Bidding system as a separate Bid and generate an Acknowledgement Slip, and SCSBs will generate an Acknowledgement Slip for each price and demand option and will, on demand, give the same to the Bidder. Therefore, a Bidder can receive up to three Acknowledgement Slips for each Bid cum Application Form.

(ix) On receipt of the Bid cum Application Form (whether in physical or electronic mode) the Designated Branch of the SCSB will verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB will reject such Bids and will not upload such Bids with the Stock Exchanges. If sufficient funds are available in the ASBA Account, the SCSB will block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid.

(x) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "– *Payment Instructions*" in this section.

Bidders' Depository Account and Bank Account Details

Bidders should note that on the basis of Bidders' PAN, DP ID and Client ID provided by them in the Bid cum Application Form and as entered into the electronic bidding system of the Stock Exchanges by the Members of the Syndicate and the SCSBs as the case may be, the Registrar will obtain from the Depository the demographic details including the Bidders' address, occupation and bank account details (including the nine-digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf (the "**Demographic Details**"), from the Depository. The Demographic Details will be used for giving refunds and allocation advice (including through physical refund warrants, direct credit, NACH, NEFT and RTGS) to Anchor Investors.

Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing on the records of the Depository Participant and ensure that they are true and correct. Accordingly, Bidders should carefully fill in their depository account details in the Bid cum Application Form.

By signing the Bid cum Application Form, the Bidder is deemed to have authorized the Depositories to provide to the Registrar, on request, the required Demographic Details as available in their records.

Bids with no corresponding record available with the Depositories matching the three parameters (namely, PAN (in case of joint Bids, PAN of First Bidder), the DP ID and Client ID), are liable to be rejected.

Payment mechanism for ASBA Bidders

The ASBA Bidders will specify the ASBA Account in the Bid cum Application Form and the SCSB will block an amount equivalent to the Bid Amount in the ASBA Account so specified. The SCSB will keep the Bid Amount in the relevant ASBA Account blocked until finalization of the Basis of Allotment and consequent transfer of the Bid Amount to the Public Offer Account, or until withdrawal/failure of the Offer or until rejection of the Bid, as the case may be.

In the event of rejection of the Bid cum Application Form, failure of the Offer or for unsuccessful Bid cum Application Forms, the Registrar will give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account and the SCSBs will unblock the Bid Amount on receipt of such instruction.

Payment Instructions

The Investment Manager and the Syndicate will open Escrow Accounts with one or more Escrow Collection Bank(s) in whose favour Anchor Investors will issue payment instruments. The payment instruments for payment into the Escrow Account(s) should be drawn in favour of:

In case of resident Anchor Investors: "POWERGRID Infrastructure Investment Trust – Cash Escrow Account – Anchor Investor - R"

In case of non-resident Anchor Investors: "POWERGRID Infrastructure Investment Trust – Cash Escrow Account – Anchor Investor - NR"

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement amongst the Investment Manager, the Trustee (acting on behalf of the Trust), the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from Bidders.

The Escrow Collection Banks will act in terms of the Offer Document, this Final Offer Document and the Escrow Agreement. The monies deposited in the Escrow Account(s) will be held for the benefit of the Anchor Investors until the Designated Date. On the Designated Date, the Escrow Collection Banks will transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Offer Account with the Escrow Collection Banks and the Refund Account. The Escrow Collection Banks will not exercise any lien whatsoever over the monies deposited therein and will hold the monies therein in trust for the Anchor Investors. The balance amount after transfer to the Public Offer Account will be transferred to the Refund Account. Payments of refund to the Anchor Investors will be made from the Refund Account are per the terms of the Escrow Agreement and the Offer Document.

Payments should be made by Anchor Investors only in electronic mode through direct credit/NEFT/NACH/RTGS. Cheques or bank drafts, cash, stockinvest, money orders or postal orders will not be accepted and is liable to be rejected.

Other Instructions

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communications will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the Depository.

Multiple Bids

A Bidder should submit only one Bid for the total number of the Units required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is the same. However, a Bidder can revise the Bid through the Revision Form.

In case of a mutual fund, subject to investment conditions as per applicable law, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids, provided that the Bids clearly indicate the scheme concerned for which the Bid is made. Bids by QIBs under the Anchor Investor Portion and Institutional Investor Portion (excluding Anchor Investor Portion) will not be considered as multiple Bids.

More than one ASBA Bidder may Bid for Units using the same ASBA Account, provided that the SCSBs will not accept a total of more than five Bid cum Application Forms from ASBA Bidders with respect to any single ASBA Account.

The Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. A check will be carried out for the same PAN. In cases where the PAN is same, such Bids will be treated as multiple applications.

Right to Reject Bids

In case of QIBs Bidding in the Institutional Investor Portion and Anchor Investors, the members of the Syndicate may reject Bids provided that such rejection will be made at the time of acceptance of the Bid and the reasons for rejecting such Bids will be provided to such Bidder in writing. The Members of the Syndicate may also reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.

Grounds for Technical Rejections

Bidders are advised that incomplete or illegible Bid cum Application Forms will be rejected by Designated Intermediaries. Bidders are advised to note that Bids are liable to be rejected on technical grounds including the following:

(i) The amounts mentioned in the Bid cum Application Form does not tally with the amount payable for the value of the Units Bid for;

(ii) Application on plain paper;

(iii) In case of partnership firms, Units may be registered in the names of the individual partners and no firm as such will be entitled to apply;

(iv) Bid by persons not competent to contract under the Indian Contract Act, 1872, as amended, including minors;

(v) PAN not stated (except for Bids on behalf of the Central or State Government, residents of Sikkim and the officials appointed by the courts);

(vi) GIR number furnished instead of PAN;

(vii) Where PAN details are not verified by demat accounts, i.e. where the demat account is “suspended for credit”;

(viii) Bids for lower value of Units than specified for that category of Bidders;

(ix) Bids at a price less than the Floor Price;

(x) Bids at a price over the Cap Price;

(xi) Submission of more than five Bid cum Application Forms per ASBA Account;

(xii) Bids for a value of less than ₹ 0.1089 million;

(xiii) Bidder category not specified;

(xiv) Multiple Bids as described in the Offer Document;

(xv) In case of Bids under power of attorney or by limited companies, corporate, trust etc., relevant documents not being submitted;

(xvi) Bids accompanied by cash, stockinvest, money order or postal order;

(xvii) Signature of sole and/or the First Bidder (in case of joint Bids) is missing;

(xviii) The Bid cum Application form not being signed by the ASBA Account holder, if the ASBA Account holder is different from the Bidder;

(xix) Bid cum Application Form does not have the stamp of a Designated Intermediary (except for electronic ASBA Bids), as the case may be;

(xx) Bid cum Application Forms are not submitted within the time prescribed as per the Bid cum Application Form, Bid/Offer Opening Date advertisement and the Offer Document and as per the instructions in the Offer Document and the Bid cum Application Forms;

(xxi) Inadequate funds in the ASBA Account to block the Bid Amount specified in the Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;

(xxii) Authorisation for blocking funds in the ASBA Account not provided;

(xxiii) Bids for amounts greater than the maximum permissible amounts prescribed by Applicable Law;

(xxiv) Bids by OCBs;

(xxv) Bids by persons in the United States other than "qualified institutional buyers" as defined in Rule 144A under the U.S. Securities Act;

(xxvi) Bids by persons prohibited from buying, selling or dealing in the Units directly or indirectly by SEBI or any other regulatory authority;

(xxvii) Bids by persons who are not eligible to acquire Units under applicable law or their relevant constitutional documents or otherwise; and

(xxviii) Bids that do not comply with the securities laws of their respective jurisdictions.

IN CASE THE DP ID, CLIENT ID AND PAN MENTIONED IN THE BID CUM APPLICATION FORM AND ENTERED INTO THE ELECTRONIC BIDDING SYSTEM OF THE STOCK EXCHANGES BY THE LEAD MANAGERS/THE DESIGNATED INTERMEDIARIES DO NOT MATCH WITH THE DP ID, CLIENT ID AND PAN AVAILABLE IN THE RECORDS WITH THE DEPOSITORIES THE APPLICATION IS LIABLE TO BE REJECTED.

Electronic Registration of Bids

(i) The Designated Intermediaries will register the Bids received, except Bids received from Anchor Bidders, using the online facilities of the Stock Exchanges. Details of Bids in the Anchor Investor Portion will not be registered on the online facilities of the Stock Exchanges. The Lead Managers, the Investment Manager and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to (i) the Bids accepted by Designated Intermediaries, (ii) the Bids uploaded by Designated Intermediaries, (iii) the Bids accepted but not uploaded by the Designated Intermediaries or (iv) Bids accepted and uploaded without blocking funds in the ASBA Accounts. It will be presumed that for the Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.

(ii) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Offer. This facility will be available on the terminals of the Designated Intermediaries during the Bid/Offer Period. The Designated Intermediaries can also set up facilities for offline electronic registration of Bids subject to the condition that it will upload the offline data file into the on-line facilities for book building on a regular basis.

(iii) On the Bid/Offer Closing Date, the Designated Intermediaries will upload the Bids until such time as may be permitted by the Stock Exchanges. This information will be available with the Lead Managers on a regular basis. In order to ensure that the data uploaded is accurate, the Syndicate may be permitted one Working Day after the Bid/Offer Closing Date to amend some of the data fields (currently DP ID, Client ID and PAN) entered by them in the electronic bidding system, after which the Registrar will proceed with the Allotment of the Units. Bidders are cautioned that a high inflow of Bids is typically experienced on the last Working Day of the Bidding, which may lead to some Bids received on the last Working Day not being uploaded due to lack of sufficient uploading time. Such Bids that could not uploaded will not be considered for allocation. Bids will only be accepted on Working Days (excluding any public holiday).

(iv) Based on the aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges a graphical representation of consolidated demand and price will be made available at the Bidding Centres and on the websites of each of the Stock Exchanges during the Bid/Offer Period.

(v) At the time of registering each Bid, the Designated Intermediaries will enter the following details of the Bidder in the electronic system:

- Name of the infrastructure investment trust;
- Bid cum Application Form number;
- Bidder Category – QIB, Eligible NRI, FPI, etc;
- PAN of the first applicant;
- DP ID;
- Client ID;
- Number of Units Bid for; and
- Price option.

(vi) A system generated Acknowledgement Slip will be given to the Bidder (only on demand) as a proof of the registration of each of the Bidding options. It is the Bidders' responsibility to obtain the Acknowledgement Slip from Designated Intermediaries. The registration of the Bid by Designated Intermediaries does not guarantee that the Units will be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind.

(vii) The permission given by the Stock Exchanges to use their network and software of the online IPO 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 and/or the Lead Managers 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, the management of the Investment Manager or the Trustee or any project of the Trust nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Offer Document; nor does it warrant that the Units will be listed or will continue to be listed on the Stock Exchanges.

Build up of the book and revision of Bids

(i) Bids received from various Bidders through the Designated Intermediaries will be electronically uploaded to the Stock Exchanges mainframe on a regular basis.

(ii) The book gets built up at various price levels. This information will be available with the Lead Managers at the end of the Bid/Offer Period.

(iii) During the Bid/Offer Period, any Bidder who has registered his or her interest in the Units at a particular price level is free to revise the Bid upwards within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

(iv) Upward revisions can be made in both the desired number of Units and the Bid Amount by using the Revision Form. Apart from mentioning the revised options in the Revision Form, the Bidder must also mention the details of all the options in his or her Bid cum Application Form or its previous Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and such Bidder is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The Members of the Syndicate and the Designated Branches will not accept incomplete or inaccurate Revision Forms.

(v) The Bidder can make this upward revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same Designated Intermediary through which such Bidder had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(vi) If revision of the Bids results in an incremental amount, the relevant SCSB will block the additional Bid Amount. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

(vii) When a Bidder revises his or her Bid, he or she will surrender the earlier Acknowledgement Slip and will, on demand, receive a revised Acknowledgement Slip from the Designated Intermediary. It is the responsibility of the Bidder to request for and obtain the revised Acknowledgement Slip, which will act as proof of his or her having revised the previous Bid.

Price Discovery and Allocation

(i) Based on the Bids received and demand generated at various price levels, the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, will finalize the Offer Price and the Anchor Investor Offer Price.

(ii) Allocation to Anchor Investors will be at the discretion of the Investment Manager and the Selling Unitholder in consultation with the Lead Managers, subject to compliance with the InvIT Regulations, the SEBI Guidelines and other Applicable Laws. In the event of under-subscription in the Anchor Investor Portion, the balance Units will be added to the Institutional Investor Portion. The number of Units allocated to Anchor Investors and the Anchor Investor Allocation Price, will be made available in public domain by the Lead Managers before the Bid/Offer Opening Date.

(iii) In case of under-subscription in any category, the unsubscribed portion in either the Institutional Investor category or the Non-Institutional Investor Portion may be allotted to applicants in the other categories.

(iv) Allocation to Non-Residents, including Eligible NRIs and FPIs will be subject to applicable law.

(v) The Investment Manager and the Selling Unitholder in consultation with the Lead Managers reserves the right to withdraw the Offer any time after the Bid/Offer Opening Date but before the Allotment, without assigning any reasons whatsoever.

(vi) No Bidders can withdraw or lower their Bids at any time.

Illustration of the Book Building and Price Discovery Process

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹ 20 to ₹ 24 per unit, issue size of 3,000 units and receipt of five bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the units of the issuer infrastructure investment trust at various prices and is collated from bids received from various Bidders.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of units is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹ 22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Signing of Underwriting Agreement

(i) the Trust (acting through the Trustee), the Sponsor, the Investment Manager, the Selling Unitholder, the Lead Managers and the Syndicate Member have entered into an Underwriting Agreement on May 6, 2021.

(ii) After signing the Underwriting Agreement, the Investment Manager and the Sponsor updated and filed the Final Offer Document with SEBI and the Stock Exchanges in terms of the InvIT Regulations and the SEBI Guidelines. This Final Offer Document contains details of the Offer Price and Offer Size, if any, underwriting arrangements and is complete in all material respects.

The Underwriters have indicated their intention to underwrite the following number of Units:

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative number of Units to be Underwritten	Amount Underwritten (₹ in millions)
ICICI Securities Limited **Address:** ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai 400 020 **Tel:** +91 22 2288 2460**, Fax:** +91 22 2282 6580 **E-mail:** pgcil.invit@icicisecurities.com	193,374,775	19,337.48
Axis Capital Limited **Address:** 1st Floor, Axis House, C 2 Wadia International Centre Pandurang Budhkar Marg, Worli, Mumbai 400 025 **Tel:** +91 22 4325 2183**, Fax:** +91 22 4325 3000	193,374,775	19,337.48

E-mail: pgcil.invit@axiscap.in		
Edelweiss Financial Services Limited **Address:** 6th Floor, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098 **Tel:** +91 22 4009 4400**, Fax:** +91 22 4086 3610 **E-mail:** project.pgcil@edelweissfin.com	193,374,675	19,337.47
HSBC Securities and Capital Markets (India) Private Limited **Address:** 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 **Tel:** + 91 22 2268 5555**, Fax:** +91 22 6653 6207 **E-mail:** projecpgcil@hsbc.co.in	193,374,775	19,337.48
Edelweiss Securities Limited **Address:** Edelweiss House, Off. C.S.T. Road, Kalina, Mumbai 400 098 **Tel:** +91 22 4063 5569 **E-mail:** prakash.boricha@edelweissfin.com	100	0.01

The Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Issuance of Allotment Advice

(i) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall send to the Syndicate a list of the Bidders who have been Allotted Units in the Offer.

(ii) The Registrar will then dispatch an Allotment Advice to the Bidders who have been Allotted Units in the Offer. The dispatch of an Allotment Advice shall be deemed a valid, binding and irrevocable contract for the Bidder.

(iii) The issuance of Allotment Advice is subject to "***Notice to Anchor Investors: Allotment Reconciliation and Confirmation of Allocation Note***" herein.

Notice to Anchor Investors: Allotment Reconciliation and Confirmation of Allocation Note ("CAN")

(i) A physical book will be prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Investment Manager in consultation with the Lead Managers, selected Anchor Investors will be sent a CAN or, if required, the revised CAN.

(ii) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price**: Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Units allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(iii) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors and who have been Allotted Units will directly receive Allotment Advice and will not receive a refund for the difference between the Offer Price and the Anchor Investor Allocation Price.

Designated Date and Allotment

On the Designated Date, the Registrar to the Offer shall instruct the SCSBs to transfer funds represented by allocation of Units from ASBA Accounts into Public Offer Account. The balance amount after transfer to the Public Offer Account shall be unblocked by the relevant SCSB. Whilst the Investment Manager and the Selling Unitholder shall ensure all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Units on the Stock Exchanges are completed within 12 Working Days of the Bid Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by the Investment Manager, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchanges and in accordance with the Applicable Laws.

Bidders are advised to instruct their Depository Participant to accept the Units that may be Allotted to them in this Offer.

Basis of Allotment

For other than Anchor Investors

(i) The Allotment to Bidders other than Anchor Investors shall be on proportionate basis within the specified investor categories and the number of Units Allotted shall be rounded off to the nearest bid lot, subject to minimum Allotment as per InvIT Regulations and the SEBI Guidelines.

(ii) In case of under-subscription in any investor category, the unsubscribed portion in either the Institutional Investor category or the Non-Institutional Investor category may be allotted to applicants in the other category.

(iii) The aggregate Allotment to Institutional Investors will not exceed 75% of the Offer Size.

(iv) The aggregate Allotment to Non-Institutional Investors shall not be less than 25% of the Offer Size.

(v) The identity of Institutional Investors shall not be made public.

For Anchor Investor Portion

Allocation to Anchor Investors at the Anchor Investor Allocation Price will be at the discretion of the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, subject to compliance with the following requirements:

- not more than 60% of the Institutional Investor Portion will be available for allocation to Anchor Investors;
- allocation to Anchor Investors will be on a discretionary basis and subject to a minimum number of two Anchor Investors for allocation up to ₹ 2,500 million and minimum number of five Anchor Investors for allocation more than ₹ 2,500 million. The identity of the Anchor Investors shall be made public.

The number of Units Allocated to Anchor Investors and the Anchor Investor Allocation Price will be made available on the websites of the Stock Exchanges, the Sponsor, the Investment Manager and the Lead Managers, prior to the Bid/Offer Opening Date.

Method of Proportionate Basis of Allotment in the Offer

Bids received from Bidders, other than Anchor Investors, at or above the Offer Price may be grouped together to determine the total demand under each category. The allotment to all successful Bidders, other than Anchor Investors, may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the allocation made to each category, full allotment may be made to Bidders to the extent of their demand. In case the aggregate demand in each category is greater than the allocation to such category at or above the Offer Price, allotment may be made on a proportionate basis up to a minimum of the allocation to such category.

In the event of the Offer being over-subscribed, the Trust may finalise and the Selling Unitholder will finalize the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the InvIT Regulations and InvIT Guidelines.

The allocation to Bidders (other than Anchor Investors), on a proportionate basis as explained below:

(i) Bidders may be categorized according to the number of Units applied for;

(ii) The total number of Units to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Units applied for in that category (number of Bidders in the category multiplied by the number of Units applied for) multiplied by the inverse of the over-subscription ratio;

(iii) The number of Units to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Units applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(iv) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Units Allotted in that category is equal to the number of Units calculated in accordance with (ii) above; and each successful Bidder may be Allotted a minimum of such Units equal to the minimum Bid Lot finalised by the Trust; and

(v) If the Units allocated on a proportionate basis to any category are more than the Units Allotted to the Bidders in that category, the remaining Units available for allotment may be first adjusted against any other category, where the Allotted Units are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Units, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Units.

Units in Dematerialized Form with NSDL or CDSL

As per the InvIT Regulations and SEBI Guidelines, the Allotment will be only in dematerialized form.

In this context, two agreements have been signed amongst the Trustee (acting on behalf of the Trust), the respective Depositories and the Registrar:

(i) Agreement dated January 18, 2021, between NSDL, the Trustee (acting on behalf of the Trust) and the Registrar; and

(ii) Agreement dated January 19, 2021, between CDSL, the Trustee (acting on behalf of the Trust) and the Registrar.

Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

(i) A Bidder applying for Units must have at least one valid beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

(ii) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

(iii) Bid cum Application Forms or Revision Forms containing incomplete or incorrect details under the heading "Bidder's Depository Account Details" are liable to be rejected.

(iv) Units in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where the Units are proposed to be listed have electronic connectivity with CDSL and NSDL.

Communications

All future communications in connection with Bids made in this Offer should be addressed to the Registrar quoting the full name of the sole or First Bidder, Bid cum Application Form number, PAN, Bidders depository account details, number of Units applied for, date of Bid cum Application Form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof or with respect to ASBA Bids, the bank account number in which an amount equivalent to the Bid Amount was blocked.

Bidders can contact the Compliance Officer or the Registrar in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of allotment, credit of allotted Units in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted with the Designated Intermediaries, Bidders can contact the relevant Designated Intermediary.

Payment of Refunds

Payment of refunds will be made in the manner described below.

Mode of Refunds

For Anchor Investors

For Anchor Investors, any payment of refund will be made electronically through NACH, Direct Credit, RTGS or NEFT. For all other Anchor Investors, including those who have not updated their bank particulars with the MICR code, refund orders through speed or registered post for refund orders of ₹ 1,500 and above. Such refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received. Any bank charges for cashing such cheques, pay orders or demand drafts at other centres will be payable by the respective Bidder. Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted.

Refunds for ASBA Bidders

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid/Offer Closing Date.

Disposal of Applications and Application Moneys

With respect to Bidders other than ASBA Bidders, the Investment Manager will ensure dispatch of Allotment Advice, refund orders (except for Anchor Investors who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges after the Allotment.

In case of Anchor Investors who receive refunds through NACH, NEFT, direct credit or RTGS, the refund instructions will be given to the clearing system within 12 Working Days from the Bid/Offer Closing Date. A suitable communication will be sent to the Anchor Investors receiving refunds through this mode within 12 Working Days from the Bid/Offer Closing Date, giving details of the bank where refunds will be credited along with amount and expected date of electronic credit of refund.

Refund Orders or instructions to the SCSBs

With respect to Anchor Investors, the Investment Manager will ensure dispatch of Allotment Advice and refund orders (except for Anchor Investors who receive refunds through electronic transfer of funds), give benefit to the beneficiary account with the Depository Participants and submit documents pertaining to the Allotment to the Stock Exchanges after the Allotment.

In the case of ASBA Bidders, the Registrar will instruct the relevant SCSBs to unblock the funds in the relevant ASBA Accounts to the extent of the Bid Amounts specified in the Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids, within 12 Working Days of the Bid Closing Date.

Interest in case of delay in dispatch of Allotment Letters or Refund Orders/instruction to SCSB by the Registrar

Allotment, including the credit of Allotted Units to the beneficiary accounts of the Depository Participants, will be made not later than 12 Working Days of the Bid/Offer Closing Date. If Allotment letters/refund orders have not been dispatched to the Bidders or if, in a case where the refund or portion thereof is made in electronic manner through direct credit, NEFT, RTGS or NACH, or unblocking of ASBA Accounts or the refund instructions have not been issued to the clearing system in the disclosed manner and/or demat credits are not made to Bidders within 12 Working Days from the Bid/ Offer Closing Date, the Investment Manager will be liable to pay interest at 15% per annum, as prescribed under the InvIT Regulations and other applicable law.

The Trust, the Investment Manager and the Selling Unitholder shall not have recourse to the Offer Proceeds until the final approval for listing and trading of the Units from all the Stock Exchanges where listing is sought has been received.

Withdrawal of the Offer

The Investment Manager and the Selling Unitholder, in consultation with the Trustee and the Lead Managers, reserves the right not to proceed with the Offer at any time after the Bid/Offer Opening Date but before Allotment. If the Investment Manager and the Selling Unitholder, in consultation with the Lead Managers, withdraw the Offer, they will issue a public notice within two days or such other time as may be prescribed by SEBI in this regard, providing reasons for not proceeding with the Offer. The Lead Managers, through the Registrar, will notify the SCSBs to unblock the ASBA Accounts within one Working Day or such other time as may be prescribed by SEBI, from the day of receipt of such notification. The notice of withdrawal will be made available on the websites of the Stock Exchanges, the Trust the Sponsor, the Investment Manager and will also be issued in the same newspapers where the pre-Offer advertisements have appeared.

If the Investment Manager and the Selling Unitholder withdraw the Offer after the Bid/Offer Closing Date and thereafter determine that they will proceed with a further public offering of Units, they will file a fresh draft offer document with SEBI or the Stock Exchanges, as the case may be.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which the Investment Manager will apply for only after Allotment; and (ii) the final approval of this Final Offer Document after it is filed with SEBI and the Stock Exchanges.

In the event the Trust does not receive listing permission from the Stock Exchanges or in the event of withdrawal of the observation letter issued by SEBI, the Units shall not be eligible for listing and the Trust and the Selling Unitholder shall be liable to refund the subscription monies, if any, to the respective Bidders immediately, along with interest at the rate of 15% per annum, from the date of Allotment.

Minimum Subscription and Minimum Allotment

In case the Trust does not receive (i) the minimum subscription of at least 90% of the Fresh Issue; or (ii) subscription for at least 10% of the total outstanding Units by public Unitholders, on a post-Offer basis; or (iii) if the number of prospective Allottees (other than the Sponsor, its related parties and Associates) is less than 20, the entire subscription money shall be refunded. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Units in the Fresh Issue will be issued prior to the allotment of Units being offered in the Offer for Sale.

TAXATION

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE TRUST AND ITS UNITHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

(*The remainder of this page is intentionally left blank*)

S. K. MITTAL & CO.
CHARTERED ACCOUNTANTS

MITTAL HOUSE, E-29, SOUTH EXTENSION PART - II
NEW DELHI - 110049
Tel: 26258517, 41640694 Fax: 26255204
Email :skmittalca@yahoo.co.in, skmittalco@yahoo.com

STATEMENT OF TAX BENEFITS

To

The Board of Directors

IDBI Trusteeship Services Limited
(Trustee of POWERGRID Infrastructure Investment Trust)
Asian Building, Ground Floor,
17 R. Kamani Marg, Ballard Estate,
Mumbai – 400 001

and

The Board of Directors

POWERGRID Unchahar Transmission Limited
(As the Investment Manager of the POWERGRID Infrastructure Investment Trust)
Upper Basement, Plot No-2, Sector-29,
Gurgaon-122001, Haryana

Dear Sirs,

Sub: **Statement of possible tax benefits available to POWERGRID Infrastructure Investment Trust and its unitholders under the Income Tax Act, 1961.**

We refer to the proposed initial public offering of the units of POWERGRID Infrastructure Investment Trust ("the Trust") and enclose the statement capturing the current position of tax benefits available to the Trust and to its Unitholders as per the provisions of the Income-tax Act, 1961 ('the Act') presently in force in India (i.e. applicable for the financial year ending 31 March 2021 relevant to the assessment year 2021-22) for inclusion in the draft offer document, offer document and final offer document. Several of these benefits are dependent on the Trust or its unitholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Trust or its unitholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Trust or its unitholders may or may not choose to fulfil.

The enclosed annexure discusses key tax benefits including potential benefits and are neither exhaustive nor conclusive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a 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 proposed issue of units of the Trust.

The contents of this enclosed statement are based on information, explanations and representations obtained from the Trust and on the basis of our understanding of the business activities and operations of the Trust and the provisions of the Tax Laws.

We do not express an opinion or provide any assurance as to whether:

- POWERGRID Infrastructure Investment Trust or its unitholders will continue to obtain these benefits in future;
- the conditions prescribed for availing the benefits, where applicable have been/would be met with; and
- the revenue authorities/courts will concur with the views expressed herein.

We hereby give our consent to include the enclosed statement, regarding possible tax benefits available to the Trust and to its Unitholders under the Act in the draft offer document, offer document and final offer document in connection with the initial public offering of the units of the Trust which is intended to be filed with Securities and Exchange Board of India and any regulatory authority, as may be required under applicable law.

Limitation

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.

This statement of possible direct tax benefits sets out the possible tax benefits available to the Trust and its Unitholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Trust or its Unitholders fulfilling the conditions prescribed under the relevant tax laws.

For S.K.Mittal & Co
Chartered Accountants
ICAI Firm Registration Number: 001135N

(CA Gaurav Mittal)
Partner
Membership Number: 099387
UDIN: 21099387AAAABS6568

Place: New Delhi
Date: April 17, 2021

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO POWERGRID INFRASTRUCTURE INVESTMENT TRUST AND ITS UNITHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the unitholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares or units, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional tax advice.

UNITHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS CONCERNING THE INDIAN TAX IMPLICATIONS AND CONSEQUENCES OF PURCHASING, OWNING AND DISPOSING OF UNITS, INCLUDING TAX IMPLICATIONS ON ANY DISTRIBUTIONS BY/ RECEIPTS FROM POWERGRID INFRASTRUCTURE INVSTMENT TRUST, IN THEIR PARTICULAR SITUATION.

The following is based on the provisions of the Income-tax Act, 1961 ('the Act') as amended by the Finance Act, 2021. The Act is amended from time to time.

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

1. TAX BENEFITS AVAILABLE TO POWERGRID INFRASTRUCTURE INVESTMENT TRUST UNDER THE ACT

The following benefits are available to POWERGRID Infrastructure Investment Trust ('the Trust') 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 benefits in the hands of the Trust in respect of interest income received/ receivable from the underlying Special Purpose Vehicle(s) ('SPVs'):

Interest received or receivable by the Trust from the Project SPVs (being domestic companies) shall be exempt from tax, subject to satisfaction of conditions given in section 10(23FC) of the Act.

In this regard, please note that as per the explanation to section 10(23FC) of the Act, the expression "special purpose vehicle" means an Indian company in which the business trust holds controlling interest and any specific percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration.

Please note that 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 the Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income-tax Rules, 1962 ('the Rules').

In addition, section 194A(3)(xi) exempts SPV from provisions of tax deduction at source ('TDS') in respect of interest paid or payable to the Trust, provided such interest is in relation to interest other than 'interest on securities'.

As per the provisions of section 193 of the Act, every Indian company shall withhold taxes at rates in force while making payment of any interest on unlisted securities.

Accordingly, SPVs will be required to withhold taxes where interest is paid or payable on unlisted securities. Please note that the procedural provisions regarding exemption from TDS in relation to such interest paid or payable by SPV to business trust are absent. Accordingly, where SPVs withhold taxes on interest on securities paid or payable to the Trust, the Trust shall be eligible to claim a refund for the same.

1.2 Tax benefit in the hands of the Trust in respect of dividend income received/ receivable from the SPVs:

Dividend received or receivable by the Trust from the Project SPVs shall be exempt from tax, subject to satisfaction of conditions given in section 10(23FC) of the Act.

Please note that 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 the Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

Further, dividend paid by SPV to a business trust shall not be subject to any withholding tax under section 194 of the Act.

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

The provisions of section 115QA mandate domestic companies (SPV) to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Further, income arising from buy-back of unlisted shares shall not be taxable as per section 10(34A) of the Act in the hands of the shareholders. Accordingly, in case income arises in hands of the Trust from buy-back of unlisted shares by the Project SPVs (held in the underlying SPVs), then such income shall be exempt in the hands of the Trust.

Please note that 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 the Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

1.4 Section 115UA(2) read with section 112 of the Act - Taxability of capital gains

In terms of section 115UA(2) of the Act, the total income of the Trust shall be chargeable to tax at the maximum marginal rate (MMR) in force except for the income chargeable to tax on transfer of Long Term Capital assets under section 112 of the Act and income referred in para 1.1 and 1.2 above. MMR is defined under the provisions of the Act to mean the rate of income-tax (including surcharge on income-tax, if any) applicable in relation to the highest slab of income as per the relevant Finance 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 securities, the determinative period of holding is more than 36 months for it to be regarded as long term capital asset.

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 the Trust at the rate of 20% (plus applicable surcharge and cess).

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, taxable under section 112 of the Act.

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 and 74 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.

Further, as per Section 71 of the Act, short term/ long term capital loss for the year cannot be set-off against income under any other head for the same year.

2. TAX BENEFITS AVAILABLE TO UNIT-HOLDERS OF POWERGRID INFRASTRUCTURE INVESTMENT TRUST

2.1 Tax Benefits available to the Unit-Holders of the Trust

Following tax benefit is specifically available to the unitholders of the Trust subject to the fulfillment of the conditions specified in the Act and SEBI Regulations:

Section 10(23FD) of the Act - Tax exemption in respect of income distributed by the Trust:

As per the provisions of section 115UA(1) of the Act, the income distributed by the Trust shall be deemed to be of the same nature and in the same proportion in the hands of the Unitholders as if such income was received by or accrued to the Trust.

As per the provisions of section 10(23FD) of the Act, any income referred to in section 115UA of the Act and distributed by the Trust [except for that proportion of income referred in sub-clause (a) of clause (23FC) or sub-clause (b) of said clause (in a case where the SPV has exercised the option under section 115BAA)] shall not be included in the total income of the unitholders.

Please note that 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 the Trust , the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

Transaction not regarded as transfer under section 47(xvii) of the Act
(Please note that the below implications are only relevant for the Sponsor Company)

According to sec. 47(xvii), any transfer of a capital asset, being share of a special purpose vehicle to a business trust in exchange of units allotted by that trust to the transferor shall not be regarded as transfer and accordingly not be liable to capital gains tax.

According to sec. 49(2AC) the cost of units acquired in lieu of shares in SPV shall be deemed to be cost of acquisition of shares in SPV.

As per clause (hc) of explanation 1 of sec. 2(42A), for ascertaining the period of holding of such units, the period of holding of shares in SPV shall also be included.

Please note that any notional gain or loss arising on transfer of shares of SPV to business trust in exchange of units allotted by the trust (as referred u/s 47(xvii) are to be excluded while calculating book profits for the purpose of Minimum Alternate Tax ('MAT') u/s 115JB. Similarly, any notional gain or loss arising upon change in carrying amount of the units held by Unitholder are to be excluded in calculating book profits for the levy of MAT u/s 115JB. *(clause (iie)/(fc) to explanation 1 to section 115JB)*

Further, actual gain or loss on disposal of units held by the Unitholder as referred to in section 47 (xvii) are considered for the purpose of MAT u/s 115JB. *(clause (iif)/(k) to explanation 1 to section 115JB)*

However, if the Unitholder opts for concessional tax regime u/s 115BAA/ 115BAB then provisions of MAT u/s 115JB shall not be applicable for the Unitholder and it shall forego its entire MAT credit available at the time of exercising concessional tax-regime.

2.2 General Benefits available to the all the Unit-Holder of the Trust:

2.2.1 For resident and non-resident Unit-holder:

Long-term capital gains:

Income arising on transfer of units of the Trust through a recognized stock exchange, on which STT is paid, shall be chargeable to tax in the hands of the Unitholders at a rate of 10% without indexation benefit (plus applicable surcharge and cess) where the amount of income-tax calculated on such long-term capital gains exceeding one lakh rupees under section 112A of the Act if the said units are long-term capital assets. The determinative period of holding for such units to qualify as long term capital asset is more than 36 months.

Income arising on transfer of units of the Trust that are long term capital assets, which is not through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 20%, with indexation benefit (plus applicable surcharge and cess) under section 112 of the Act.

In case of a Unit-holder being a resident individual or HUF, where the total taxable income as reduced by long-term capital gains taxable is below the basic exemption limit, such long-term capital gains will be reduced to the extent of the shortfall and only the balance long-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 112 and proviso to sub-section (2) of section 112A of the Act.

Short-term capital gain:

Short-term capital gains arising on transfer of the units of the Trust will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act, provided such transaction is subject to STT and through a recognized stock exchange.

In case of a Unit-holder being a resident individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

Short-term capital gains arising on transfer of units of the Trust, which is not through a recognized stock exchange and which is not subject to STT, shall be chargeable to tax on applicable tax rates prescribed under the Act.

Set-off of losses:

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 and 74 of the Act. 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 and 74 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.

Further, as per Section 71 of the Act, short term/ long term capital loss for the year cannot be set-off against income under any other head for the same year.

Applicability of Minimum Alternate Tax/ Alternate Minimum Tax:

Where Unitholder is a 'domestic company':
In case of domestic companies that are liable to pay MAT under provisions of Section 115JB of the Act, the gains arising, if any, on sale of units of InvIT are to be included as part of book profits for the purpose of computing MAT liability. MAT paid by such companies should be available as credit for set-off against future tax liability, provided such companies do not opt to be governed by the concessional tax rates u/s 115BAA or 115BAB of the Act.

Where Unitholder is a person 'other than company': In case of unitholders, other than companies, that are liable to Alternate Minimum Tax (AMT) under provisions of Section 115JC of the Act, the gains arising, if any, on sale of units of InvIT are to be included as part of adjusted total income for the purpose of computing AMT liability. AMT paid by such unitholders should be available as credit for set-off against future tax liability, provided they do not opt to be governed by the concessional tax rates u/s 115BAC or 115BAD of the Act.

2.2.2 **For unit-holders who are Foreign Portfolio Investors ('FPIs')/ Foreign Institutional Investors ('FIIs'):**

In case of Foreign Institutional Investor or Foreign Portfolio Investor registered under SEBI (Foreign Portfolio Investors) Regulations 2014 ('FII/FPI'), as per section 2(14) of the Act, shares/ securities (other than those held as stock in trade) which were invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be capital assets. Accordingly, any income from such transfer shall be deemed as a capital gain.

Long-term capital gains:

Income arising on transfer of units of the Trust through a recognized stock exchange, on which STT is paid, shall be chargeable to tax in the hands of the Unitholders at a rate of 10% without indexation benefit (plus applicable surcharge and cess) where the amount of income-tax calculated on such long-term capital gains exceeding one lakh rupees under section 112A of the Act, if the said units are long-term capital assets. The determinative period of holding for such units to qualify as long term capital asset is more than 36 months.

Income arising on transfer of units of the Trust that are long term capital assets, which is not through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 10%, without indexation benefit (plus applicable surcharge and cess) in accordance with section 115AD of the Act.

Short-term capital gain:

Short-term capital gains arising on transfer of the units of the Trust will be chargeable to tax at the rate of 15% (plus applicable surcharge and cess) as per the provisions of section 111A of the Act provided such transaction is subject to STT and through a recognized stock exchange.

Short-term capital gains arising on transfer of units of the Trust, which is not through a recognized stock exchange and which is not subject to STT, shall be chargeable to tax @30% (plus applicable surcharge and cess) in accordance with section 115AD of the Act.

Set-off of losses:

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 and 74 of the Act. 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 and 74 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.

Further, as per Section 71 of the Act, short term/ long term capital loss for the year cannot be set-off against income under any other heads for the same year.

Applicability of Minimum Alternate Tax:

As per the Explanation 4 to section 115JB, provisions of Minimum Alternate Tax shall not be applicable to any foreign company if –

(i) Such foreign company is a resident of country with which India has a DTAA and such foreign company does not have a permanent establishment in India; or

(ii) Such foreign company is a resident of country with which India does not have a DTAA and such foreign company is not required to seek registration under any law for the time being in force relating to companies.

Accordingly, provisions of MAT shall not apply to FPIs/ FIIs in case the above conditions hold true.

Benefits under Double Taxation Avoidance Agreement (DTAA):

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the DTAA between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

As per sub-section (2) of section 196D of the Act, no tax is to be deducted from any income, by way of capital gains arising to an FPI/ FII from the transfer of units by such FPI/ FII. In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the DTAA, if any, between India and the country in which the FPI/ FII 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 DTAA to the extent they are more beneficial to the FPI/ FII.

For withholding tax provisions in case FPI/ FII, please refer Section II – 'Tax Deduction at Source' below.

2.2.3 **For unit-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.

In light with the provisions of section 196 of the Act, no deduction of tax shall be made on any sum payable to a Mutual Fund specified under clause (23D) of section 10. Accordingly, the Trust is not required to withhold tax on any sum payable to Mutual Fund set up under section 10(23D) of the Act.

2.2.4 **Section 10(23FE): Income of a specified person in the nature of dividend, interest or long-term capital gains arising from an investment made by it in India.**

As per section 10(23FE) of the Act, dividend, interest and long-term capital gains arising from investments made by 'specified person' in India, whether in the form of debt or share capital or unit, shall be exempt, if such investment is:

(i) made on or after the 01 April 2020 but on or before the 31 March 2024
(ii) is held for at least 3 years
(iii) inter alia, is in a business trust

Further, such specified person (subject to certain conditions prescribed in section 10(23FE)) shall include:

(i) Wholly owned subsidiary of Abu Dhabi Investment Authority (ADIA)
(ii) Sovereign Wealth Funds (SWF)
(iii) Pension funds

In this regard, please note that there are no amendments in the withholding tax provisions under the Act providing for exemption from withholding taxes on above mentioned income accruing to specified persons.

II. TAX DEDUCTION AT SOURCE[1]

Section 194LBA – Deduction of tax on certain income from the Trust

Where any interest income referred in section 115UA of the Act, in the nature referred to in section 10(23FC)(a) is distributed by the Trust to its unitholder, the Trust shall deduct TDS at 10% - in case of a resident unitholder, and 5% (plus applicable surcharge and cess) - in case of a non-resident unitholder. The same shall be deducted at the time of credit of such payment to the account of the payee or at the time of payment thereof, whichever is earlier.

However, TDS at the rate of 10% shall be deducted on dividend income distributed by the Trust to its resident unitholders and 10% (plus applicable surcharge and cess) shall be deducted on dividend income distributed by the Trust to its non-resident unitholders, if the SPV has exercised the option of beneficial tax regime under section 115BAA of the Act. If

[1] *Please note that the TDS rates mentioned in the given document may be subject to any concessions introduced/ allowed by the Government under any policy, press release, etc. Also, the same may also be subject to lower/ Nil withholding tax certificates which may be furnished by the unitholders*

the SPV has not exercised the option of Section 115BAA of the Act, then no TDS is deducted on the distribution of dividend by the Trust.

Additionally, in view of section 90(2) of the Act, a non-resident will be governed by the provisions of the DTAA between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the assessee.

Applicability of other provisions:

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

However, as per the provisions of Section 195 of the Act, any income on transfer of units of the Trust by non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the assessee (other than FPIs/ FIIs which are subject to provisions of section 196D(2) of the Act). However, the non-resident investor will have to furnish a certificate of his 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 DTAA and such other document as may be prescribed as per the provision of section 90(4) of Act.

Further, vide Finance Act, 2021 section 196D of the Act is amended to provide that with effect from financial year 2021-22, in case of a payee, being FPIs/ FIIs of country with which India has entered into DTAA, tax shall be deducted at the rate of 20% or the DTAA rates, whichever is lower, subject to the FPI/ FII furnishing a Tax Residency Certificate (referred to in Section 90(4) of the Act) to the payer

Further, as per sub-section (2) of section 196D of the Act, no tax is to be deducted from any income, by way of capital gains arising to an FPI or FII from the transfer of units.

Section 206AA of the Act – Where PAN details are not furnished by the unitholder

As per Section 206AA of the Act, where a taxpayer does not possess a Permanent Account Number ('PAN'), taxes have to be withheld on payment of income to the taxpayer (where chargeable to tax) at higher of the following:

- at the rate specified in the Act; or
- at the rate or rates in force; or
- at the rate of 20%

Pursuant to amendment in section 206AA in 2016 and introduction of Rule 37B, the requirement of quoting PAN at the time of withholding of tax on certain specified income is eliminated. Further, the CBDT issued a notification prescribing the rules for relaxation from withholding of tax at higher rates in the absence of PAN in the case of non-resident deductee and laid down the information and alternative documents required to claim such relaxation.

Section 206AB of the Act (introduced vide the Finance Act- 2021) – Where the return of income has not been furnished by the unitholder

As per Section 206AB of the Act, where taxes are required to be deducted on any sum (other than those referred to in section 192, 192A, 194B, 194BB, 194LBC or 194N) paid/ payable/ credited to a specified person, the taxes have to be withheld at higher of the following:

- at twice the rate specified in the Act; or
- at twice the rate or rates in force; or
- at the rate of 5%

Wherein the specified person means a person, who –

(i) has not filed the return of income for two assessment years relevant to two previous years immediately preceding the previous year in which the tax is required to be deducted, for which time-limit of filing u/s 139(1) has expired; and

(ii) the aggregate of tax deducted at source and tax collected at source is INR 50,000 or more in each of the two previous years

The above provisions shall not be applicable in case of non-resident not having a permanent establishment in India.

Further, in cases where both Section 206AA and Section 206AB of the Act are applicable, TDS shall be deducted at higher of the rate prescribed under both these sections.

Note1: Please note that the rate prescribed under section 206AB of the Act shall not be increased by any surcharge and cess

Note2: Please note that the proposed section shall come into force with effect from 1st July 2021

General tax rates and provisions:

1. The income-tax rates specified in this note are as applicable for the financial year 2020-21, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

    <u>Surcharge:</u>

    Domestic companies:
    (i) If the total income does not exceed INR 10 million – Nil
    (ii) If the total income exceeds INR 10 million but does not exceed INR 100 million - 7 %
    (iii) If the total income exceeds INR 100 million - 12 %

    Foreign companies:

    (i) If the total income does not exceed INR 10 million - Nil
    (ii) If the total income exceeds INR 10 million but does not exceed INR 100 million – 2%
    (iii) If the total income exceeds INR 100 million – 5%

    For individuals, HUF, AOP and BOI:

    (i) If the total income does not exceed INR 5 million - Nil
    (ii) If the total income (including dividend income or capital gains on specified securities) exceeds INR 5 million but does not exceed INR 10 million – 10%
    (iii) If the total income (including dividend income or capital gains on specified securities) exceeds INR 10 million but does not exceed INR 20 million – 15%
    (iv) If the total income (excluding dividend income or capital gains on specified securities) exceeds INR 20 million but does not exceed INR 50 million – 25%
    (v) If the total income (excluding dividend income or capital gains on specified securities) exceeds INR 50 million – 37%
    (vi) If total income is above 20 million (including dividend income or capital gains on specified securities) but is not covered under (iv) and (v) above – 15%

    However, please note that the applicable surcharge does not exceed 15% in case of dividend income or capital gains on specified securities included in such total income.

The above surcharge is subject to marginal tax benefit as per the income Tax Act, 1961.

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 stated benefits will be available only to the sole/ first named holder in case the units are held by joint holders.

3. 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 DTAA, if any, between India and the country in which the non-resident has fiscal domicile.

4. 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.

5. 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.

6. 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 the Trust and its unitholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the Trust or its unitholders fulfilling the conditions prescribed under the relevant tax laws.

7. 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 and units, 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 arising on account of any investment in equity shares or units (including tax implications on account of any distributions by/ receipts from the Trust), 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.

---xxx---

COMBINED FINANCIAL STATEMENTS

(*The remainder of this page is intentionally left blank*)

S. K. MITTAL & CO.
CHARTERED ACCOUNTANTS

MITTAL HOUSE, E-29, SOUTH EXTENSION PART - II
NEW DELHI - 110049
Tel: 26258517, 41640694 Fax: 26255204
Email :skmittalca@yahoo.co.in, skmittalco@yahoo.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
POWERGRID Unchahar Transmission Limited ("Investment Manager")
Plot No. 2, Sector 29,
Gurgaon – 122 001, Haryana

Report on the Combined Financial Statements

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of POWERGRID Vizag Transmission Limited, POWERGRID Kala Amb Transmission Limited, POWERGRID Parli Transmission Limited, POWERGRID Warora Transmission Limited, POWERGRID Jabalpur Transmission Limited (individually referred to as "SPV" and together referred to as the "SPV Group"), which comprise the Combined Balance Sheets as at December 31, 2020, March 31, 2020, 31 March 2019 and 31 March 2018, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statements, Combined Statements of Changes in Equity and a Summary of Significant Accounting Policies and Other Explanatory Information for the period ended December 31, 2020 and years ended March 31, 2020, March 31, 2019 and March 31, 2018; (collectively, the "Combined Financial Statements"). The Combined Financial Statements have been prepared in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Combined Financial Statements give a true and fair view of the state of affairs (financial position) of the SPV Group as at December 31, 2020 , March 31 2020, March 31, 2019 and March 31, 2018 and of its Profits (financial performance including other comprehensive income), its cash flows, and the changes in equity for the Period ended December 31, 2020 and years ended March 31, 2020, March 31, 2019 and 31 March 2018 in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements.

Basis of Accounting

Without modifying our opinion, we draw attention to Note 2.1 to the Combined Financial Statements, which describes the Basis of preparation of the Combined Financial Statements. The Combined Financial Statements have been prepared by Trust and the Investment Manager to meet the requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder and for inclusion in the Draft Offer Document prepared by the Investment Manager in connection with the proposed Initial Public Offering of units of the POWERGRID Infrastructure Investment Trust ("Trust"). As a result, the Combined Financial Statements may not be suitable for another purpose.

Emphasis of Matter

We draw attention to Note No.3 to the Combined Financial Statements, which describes the uncertainties and the impact of COVID 19 on carrying value of trade receivables, unbilled revenue and investments as assessed by the management. The actual results may differ from such estimates depending on future developments.

Our opinion is not modified in respect of this matter**.**

Other Matters

We have not audited the Audited Standalone Financial Statements under Ind AS of any of the SPVs for any of the period(s), thus, we have relied upon the audit report and financial statements duly audited by the respective Auditors of the SPVs and they have issued unmodified examination reports.

Our opinion is not modified in respect of this matter**.**

Management's Responsibility for the Combined Financial Statements

The Board of Directors of POWERGRID Unchahar Transmission Limited (the "Investment Manager") are responsible for the preparation of these Combined Financial Statements that give a true and fair view of the state of affairs (financial position), profit or loss (financial performance including other comprehensive income), cash flows and changes in equity of the SPV Group in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements. This includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Combined Financial Statements that give a true and fair view and are free from material misstatement whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Combined Financial Statements based on our audit. We conducted our audit in accordance with the Standards on Auditing(SA), more specifically, SA 600, issued by the Institute of Chartered Accountants of India. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Combined Financial Statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Combined Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of Combined Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the SPV Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the Combined Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Combined Financial Statements.

Report on Other Legal and Regulatory Requirements

As required by SEBI Circular number CIR/IMD/DF/114/2016 dated October 20, 2016 (“SEBI Circular”), we report that:

(a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;

(b) The Combined Balance Sheets, Combined Statements of Profit and Loss (including Other Comprehensive Income), Combined Cash Flow Statements and Combined Statements of Changes in Equity dealt with by this Report are in agreement with the books of account maintained and audited by respective auditors of SPVs;

(c) In our opinion, the aforesaid Combined Financial Statements comply with the basis of preparation as stated in note 2.1 to the Combined Financial Statements;

(d) In our opinion and to the best of our information and according to the explanations given to us, the Combined Financial Statements give the disclosures, in accordance with the SEBI Circular, in respect of the net assets at fair value as at December 31, 2020 and the total returns at fair value for the period ended December 31, 2020.

For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal**)**
Partner
Membership No.: 099387
UDIN: 21099387AAAABJ5410

Place: Gurgaon
Date: 8th March, 2021

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Balance Sheet

(₹ in million)

Particulars	Note No	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
ASSETS					
Non-current assets					
Property, Plant and Equipment	4	61,993.50	63,218.87	66,153.31	17,786.63
Capital work-in-progress	5	22.38	-	86.57	45,292.66
Other Intangible assets	6	1,116.68	1,155.20	884.90	4.01
Intangible assets under development	7	-	-	-	187.17
Deferred tax Assets(Net)	8	-	-	-	192.88
Other non-current assets	9	619.94	41.24	54.72	411.55
		63,752.50	**64,415.31**	**67,179.50**	**63,874.90**
Current assets					
Inventories	10	310.18	310.18	209.83	108.94
Financial Assets					
Trade receivables	11	1,881.07	1,737.21	1,189.27	506.72
Cash and cash equivalents	12	540.73	399.28	27.38	170.18
Other current financial assets	13	1,404.82	1,259.52	1,305.80	338.62
Current Tax Assets (Net)	14	-	56.81	56.98	49.44
Other current assets	15	295.69	33.85	33.86	0.01
		4,432.49	**3,796.85**	**2,823.12**	**1,173.91**
Total Assets		**68,184.99**	**68,212.16**	**70,002.62**	**65,048.81**
EQUITY AND LIABILITIES					
Equity					
Equity Share capital	16	12,130.40	12,006.80	9,986.80	4,422.80
Other Equity	17	2,750.93	3,330.22	2,196.14	712.13
		14,881.33	**15,337.02**	**12,182.94**	**5,134.93**
Liabilities					
Non-current liabilities					
Financial Liabilities					
Borrowings	18	47,507.34	44,293.16	53,368.63	52,367.31
Deferred tax liabilities(Net)	19	2,677.25	287.08	52.90	-
		50,184.59	**44,580.24**	**53,421.53**	**52,367.31**
Current liabilities					
Financial Liabilities					
Trade payables	20				
(A) total outstanding dues of micro enterprises and small enterprises		-	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises		87.21	8.83	3.85	0.75
Other current financial liabilities	21	2,997.94	8,268.44	4,305.10	7,387.57
Other current liabilities	22	31.18	15.42	52.84	157.47
Provisions	23	0.36	0.79	5.51	0.13
Current Tax Liabilities (Net)	24	2.38	1.42	30.85	0.65
		3,119.07	**8,294.90**	**4,398.15**	**7,546.57**
Total Equity and Liabilities		**68,184.99**	**68,212.16**	**70,002.62**	**65,048.81**

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Statement of Profit and Loss

(₹ in million)

Particulars	Note No.	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Revenue From Operations	25	9,922.84	13,242.87	9,771.56	3,435.69
Other Income	26	167.97	98.07	69.64	20.30
Total Income		**10,090.81**	**13,340.94**	**9,841.20**	**3,455.99**
EXPENSES					
Finance costs	27	2,910.00	4,290.73	3,281.45	1,157.83
Depreciation and amortization expense	28	1,392.36	3,794.33	2,749.63	932.16
Other expenses	29	311.92	381.64	329.76	80.75
Total expenses		**4,614.28**	**8,466.70**	**6,360.84**	**2,170.74**
Profit Before Tax		**5,476.53**	**4,874.24**	**3,480.36**	**1,285.25**
Tax expense:					
Current tax - Current Year		276.14	851.78	753.96	274.29
- Earlier Years		(561.20)	-	-	0.11
Deferred tax		2,390.17	234.21	245.77	(130.49)
		2,105.11	1,085.99	999.73	143.91
Profit for the period		**3,371.42**	**3,788.25**	**2,480.63**	**1,141.34**
Other Comprehensive Income		-	-	-	-
Total Comprehensive Income for the period		**3,371.42**	**3,788.25**	**2,480.63**	**1,141.34**
Earnings per Unit (Par value ₹ 10/- each): Basic & Diluted (₹) (refer note 42)					

The accompanying notes (1 to 47) form an integral part of financial statements

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Combined Statement of Changes in Equity

A. Equity Share Capital

(₹ in million)

As at 1st April, 2020	12,006.80
Changes during the year	123.60
As at 31st December, 2020	12,130.40
As at 1st April, 2019	9,986.80
Changes during the year	2,020.00
As at 31st March, 2020	12,006.80
As at 1st April, 2018	4,422.80
Changes during the year	5,564.00
As at 31st March, 2019	9,986.80
As at 1st April, 2017	2,361.30
Changes during the year	2,061.50
As at 31st March, 2018	4,422.80

B. Other Equity

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2020	**580.00**	**195.36**	**2,554.86**	**3,330.22**
Profit for the year			3,371.42	3,371.42
Other Comprehensive Income			-	-
Total Comprehensive Income			**3,371.42**	**3,371.42**
Adjustments during the year				
Transfer to Self Insurance Reserve		(195.36)	195.36	-
Final Dividend F.Y. 2019-20			(2,464.51)	(2,464.51)
Interim Dividend F.Y. 2020-21			(1,486.20)	(1,486.20)
Balance at 31st December, 2020	**580.00**	**(0.00)**	**2,170.93**	**2,750.93**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2019	**580.00**	**110.17**	**1,505.97**	**2,196.14**
Profit for the year			3,788.25	3,788.25
Other Comprehensive Income			-	-
Total Comprehensive Income			**3,788.25**	**3,788.25**
Adjustments during the year				
Transfer to Self Insurance Reserve		85.19	(85.19)	-
Final Dividend F.Y. 2018-19			(504.78)	(504.78)
Tax on Final Dividend F.Y. 2018-19			(103.76)	(103.76)
Interim Dividend F.Y. 2019-20			(1,696.84)	(1,696.84)
Tax on Interim dividend F.Y. 2019-20			(348.79)	(348.79)
Balance at 31st March, 2020	**580.00**	**195.36**	**2,554.86**	**3,330.22**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2018	**290.00**	**24.85**	**397.28**	**712.13**
Profit for the year			2,480.63	2,480.63
Other Comprehensive Income			-	-
Total Comprehensive Income			**2,480.63**	**2,480.63**
Adjustments during the year				
Transfer to Bond redemption reserve	290.00		(290.00)	-
Transfer to Self Insurance Reserve		85.32	(85.32)	-
Final Dividend F.Y. 2017-18			(121.46)	(121.46)
Tax on Final Dividend F.Y. 2017-18			(24.97)	(24.97)
Interim Dividend F.Y. 2018-19			(705.23)	(705.23)
Tax on Interim dividend F.Y. 2018-19			(144.96)	(144.96)
Balance at 31st March, 2019	**580.00**	**110.17**	**1,505.97**	**2,196.14**

(₹ in million)

Particulars	Reserves and Surplus			Total
	Bond Redemption Reserve	Self Insurance Reserve	Retained Earnings	
Balance at 1st April, 2017	**7.43**	**1.94**	**(186.15)**	**(176.78)**
Profit for the year			1,141.34	1,141.34
Other Comprehensive Income			-	-
Total Comprehensive Income			**1,141.34**	**1,141.34**
Adjustments during the year				
Transfer to Bond redemption reserve	282.57		(282.57)	-
Transfer to Self Insurance Reserve		22.91	(22.91)	-
Interim Dividend F.Y. 2017-18			(209.73)	(209.73)
Tax on Interim dividend F.Y. 2017-18			(42.70)	(42.70)
Balance at 31st March, 2018	**290.00**	**24.85**	**397.28**	**712.13**

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited
(as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

SPV Group (as defined in Note 1 - Corporate & General Information)

Consolidated Statement of Cash Flows

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A. CASH FLOW FROM OPERATING ACTIVITIES				
Profit Before Tax	**5,476.53**	**4,874.24**	**3,480.36**	**1,285.25**
Adjustment for :				
Depreciation & amortization expenses	1,392.36	3,794.33	2,749.63	932.16
Finance Costs	2,910.00	4,290.73	3,281.45	1,157.83
Interest income from Bank	(5.88)	(1.05)	-	-
	4,296.48	**8,084.01**	**6,031.08**	**2,089.99**
Operating profit before Changes in Assets and Liabilities	**9,773.01**	**12,958.25**	**9,511.44**	**3,375.24**
Adjustment for Changes in Assets and Liabilities:				
(Increase)/Decrease in Inventories	-	(2.61)	(100.88)	-
(Increase)/Decrease in Trade Receivables	(143.85)	(466.90)	(655.41)	(0.09)
(Increase)/Decrease in Other Financial Assets	-	(36.80)	(81.18)	-
(Increase)/Decrease in Other Non-current Assets	0.06	(0.80)	(0.45)	6.74
(Increase)/Decrease in Other Current Assets	(261.85)	(224.75)	(513.20)	(340.48)
(Increase)/Decrease in Other current financial assets	(145.61)	129.35	(470.88)	(310.82)
Increase/(Decrease) in Trade payables	78.38	5.15	2.93	(0.45)
Increase/(Decrease) in Other Non-current Financial Liability	-	-	-	(243.43)
Increase/(Decrease) in Other Non-current Liability	-	-	-	(105.31)
Increase/(Decrease) in Other current financial liabilities	(74.12)	(928.37)	(3,429.80)	2,354.83
Increase/(Decrease) in Other current liabilities	15.76	(37.06)	(104.62)	(738.38)
Increase/(Decrease) in Short Term Provisions	(0.43)	(5.19)	5.38	0.03
	(531.66)	**(1,567.98)**	**(5,348.11)**	**622.64**
Cash generated from operations	**9,241.35**	**11,390.27**	**4,163.33**	**3,997.88**
Direct taxes paid	(235.94)	(868.80)	(738.36)	(266.06)
Net Cash from Operating Activities	**9,005.41**	**10,521.47**	**3,424.97**	**3,731.82**
B. CASH FLOW FROM INVESTING ACTIVITIES				
Property, Plant & Equipment and Capital Work in Progress (Including Advances for Capital Expenditure)	(150.97)	(1,073.22)	(6,428.12)	(32,739.43)
Interest income from Bank	6.19	0.74	-	-
Net Cash used in Investing Activities	**(144.78)**	**(1,072.48)**	**(6,428.12)**	**(32,739.43)**
C. CASH FLOW FROM FINANCING ACTIVITIES				
Proceeds from Borrowings	3,342.80	124.00	4,741.93	28,473.32
Repayment of Borrowings	(5,116.14)	(4,124.45)	(2,440.61)	(404.14)
Equity share capital raised during the year	123.60	2,020.00	5,564.00	2,061.50
Finance Costs paid	(3,118.73)	(4,442.47)	(4,008.35)	(737.16)
Dividend paid	(3,950.71)	(2,201.62)	(826.69)	(209.73)
Dividend Tax paid	-	(452.55)	(169.93)	(42.70)
Net Cash (used in)/from Financing Activities	**(8,719.18)**	**(9,077.09)**	**2,860.35**	**29,141.09**
D. Net change in Cash and Cash equivalents (A+B+C)	141.45	371.90	(142.80)	133.48
E. Cash and Cash equivalents (Opening balance)	399.28	27.38	170.18	36.70
F. Cash and Cash equivalents (Closing balance) (Refer Note No 12)	**540.73**	**399.28**	**27.38**	**170.18**

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387
Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited (as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

Notes to Combined Financial Statements

1. Corporate & General Information

POWERGRID Vizag Transmission Limited, POWERGRID Kala Amb Transmission Limited, POWERGRID Parli Transmission Limited, POWERGRID Warora Transmission Limited and POWERGRID Jabalpur Transmission Limited (individually referred to as "SPV" and together referred to as "SPV Group") are public companies domiciled and incorporated in India under the provisions of Companies Act and a wholly owned subsidiaries of Power Grid Corporation of India Limited (Sponsor). The registered office of these Companies is situated at B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi-110 016, India.

The Combined Financial Statements were authorised for issue in accordance with resolutions passed by the Board of Directors of the Investment Manager on 8th March, 2021.

Name of SPV	Principal activities	Proposed Shareholding by POWERGRID InvIT Trust*	Nature of Proposed Investment	Status
POWERGRID Vizag Transmission Limited	Engaged in business of Power Systems Network, construction, operation and maintenance of transmission lines and other related allied activities	74%	Subsidiary	Operating
POWERGRID Kala Amb Transmission Limited		74%	Subsidiary	Operating
POWERGRID Parli Transmission Limited		74%	Subsidiary	Operating
POWERGRID Warora Transmission Limited		74%	Subsidiary	Operating
POWERGRID Jabalpur Transmission Limited		74%	Subsidiary	Operating

*Balance 26% shall be transferred in terms of transmission service agreements of respective SPVs in phased manner.

2. Significant Accounting Policies

A summary of the significant accounting policies applied in the preparation of the financial statements are as given below. These accounting policies have been applied consistently to all periods presented in the financial statements

2.1 Basis of Preparation

i) Compliance with Ind AS

The financial statements are prepared in compliance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act), Companies (Indian Accounting Standards) Rules, 2015, the relevant provisions of the Companies Act, 2013 (to the extent notified), The Companies Act, 1956, the provisions of Electricity Act, 2003, SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("InvIT Regulations") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India (“Guidance Note”), in each case, to the extent applicable and as amended thereafter.

ii) Basis of Measurement

The financial statements have been prepared on accrual basis and under the historical cost convention except certain financial assets and liabilities measured at fair value (Refer Note no. 2.11 for accounting policy regarding financial instruments).

iii) Functional and presentation currency

The financial statements are presented in Indian Rupees (Rupees or ₹), which is the SPV Group's functional and presentation currency and all amounts are rounded to the nearest millions and two decimals thereof, except as stated otherwise.

iv) Use of estimates

The preparation of financial statements requires estimates and assumptions that affect the reported amount of assets, liabilities, revenue and expenses during the reporting period. Although, such estimates and assumptions are made on a reasonable and prudent basis taking into account all available information, actual results could differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision effects only that period or in the period of the revision and future periods if the revision affects both current and future years (refer Note no. 3 on critical accounting estimates, assumptions and judgments).

v) Current and non-current classification

The SPV 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 realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized 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 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 settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

The SPV Group recognizes twelve months period as its operating cycle.

2.2 Property, Plant and Equipment

Initial Recognition and Measurement

Property, Plant and Equipment is initially measured at cost of acquisition/construction including any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. After initial recognition, Property, Plant and Equipment is carried at cost less accumulated depreciation / amortisation and accumulated impairment losses, if any.

Property, Plant and Equipment acquired as replacement of the existing assets are capitalized and its corresponding replaced assets removed/ retired from active use are derecognized.

If the cost of the replaced part or earlier inspection is not available, the estimated cost of similar new parts/inspection is used as an indication of what the cost of the existing part/ inspection component was when the item was acquired or inspection was carried out.

In the case of commissioned assets, where final settlement of bills with contractors is yet to be effected, capitalization is done on provisional basis subject to necessary adjustments in the year of final settlement.

Transmission system assets are considered as ready for intended use after meeting the conditions for commercial operation as stipulated in Transmission Service Agreement (TSA) and capitalized accordingly.

The cost of land includes provisional deposits, payments/liabilities towards compensation, rehabilitation and other expenses wherever possession of land is taken.

Expenditure on leveling, clearing and grading of land is capitalized as part of cost of the related buildings.

Spares parts whose cost is ₹5,00,000/- and above, standby equipment and servicing equipment which meets the recognition criteria of Property, Plant and Equipment are capitalized.

Subsequent costs

Subsequent expenditure is recognized as an increase in carrying amount of assets when it is probable that future economic benefits deriving from the cost incurred will flow to the SPV Group and cost of the item can be measured reliably.

The cost of replacing part of an item of Property, Plant and Equipment is recognized in the carrying amount of the item if it is probable that future economic benefit embodied within the part will flow to the SPV Group and its cost can be measured reliably. The carrying amount of the replaced part is derecognized. The costs of the day-to-day servicing of property, plant and equipment are recognised in the Statement of Profit & Loss as incurred.

Derecognition

An item of Property, Plant and Equipment is derecognized when no future economic benefits are expected from their use or upon disposal.

The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in the Statement of Profit and Loss on the date of disposal or retirement.

2.3 Capital Work-In-Progress (CWIP)

Cost of material, erection charges and other expenses incurred for the construction of Property, Plant and Equipment are shown as CWIP based on progress of erection work till the date of capitalization.

Expenditure of office and Projects, directly attributable to construction of property, plant and equipment are identified and allocated on a systematic basis to the cost of the related assets.

Interest during construction and expenditure (net) allocated to construction as per policy above are kept as a separate item under CWIP and apportioned to the assets being capitalized in proportion to the closing balance of CWIP.

Unsettled liability for price variation/exchange rate variation in case of contracts is accounted for on estimated basis as per terms of the contracts.

2.4 Intangible Assets and Intangible Assets under development

Intangible assets are measured on initial recognition at cost. After initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Subsequent expenditure on already capitalized Intangible assets is capitalised when it increases the future economic benefits embodied in an existing asset and is amortised prospectively.

The cost of software (which is not an integral part of the related hardware) acquired for internal use and resulting in significant future economic benefits is recognized as an intangible asset when the same is ready for its use.

Afforestation charges for acquiring right-of-way for laying transmission lines are accounted for as intangible assets on the date of capitalization of related transmission lines.

Expenditure on development shall be recognised as Intangible asset if it meets the eligibility criteria as per Ind AS 38 'Intangible Assets', otherwise it shall be recognised as an expense.

Expenditure incurred, eligible for capitalization under the head Intangible Assets, are carried as "Intangible Assets under Development" till such assets are ready for their intended use.

An item of Intangible asset is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the Statement of Profit and Loss when the asset is derecognised.

2.5 Depreciation / Amortisation

Property, Plant & Equipment

Depreciation/Amortisation on the items of Property, Plant and Equipment related to transmission business is provided on straight line method based on the useful life specified in Schedule II of the Companies Act, 2013 except for the following items of property, plant and equipment on which depreciation is provided based on estimated useful life as per technical assessment and considering the terms of Transmission Service Agreement entered with Long Term Transmission Customers.

Particulars		Useful life
a.	Computers & Peripherals	3 Years
b.	Servers & Network Components	5 years
c.	Buildings (RCC frame structure)	35 years
d.	Transmission line	35 years
e.	Substation Equipment	35 years

Depreciation on spares parts, standby equipment and servicing equipment which are capitalized, is provided on straight line method from the date they are available for use over the remaining useful life of the related assets of transmission business.

Mobile phones are charged off in the year of purchase.

Residual value is considered as 5% of the Original Cost for all items of Property, Plant & Equipment in line with Companies Act, 2013 except for Computers & Peripherals and Servers & Network Components for which residual value is considered as Nil.

Property, plant and equipment costing ₹5,000/- or less, are fully depreciated in the year of acquisition.

Where the cost of depreciable property, plant and equipment has undergone a change due to increase/decrease in long term monetary items on account of exchange rate fluctuation, price adjustment, change in duties or similar factors, the unamortized balance of such asset is depreciated prospectively.

Depreciation on additions to/deductions from Property, Plant and Equipment during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The residual values, useful lives and methods of depreciation for items of property, plant and equipment are reviewed at each financial year-end and adjusted prospectively, wherever required.

Right of Use Assets:

Right of Use assets are fully depreciated from the lease commencement date on a straight line basis over the lease term.

Leasehold land is fully amortized over lease period or life of the related plant whichever is lower. Leasehold land acquired on perpetual lease is not amortized.

Intangible Assets

Cost of software capitalized as intangible asset is amortized over the period of legal right to use or 3 years, whichever is less with Nil residual value.

Afforestation charges are amortized over thirty-five years from the date of capitalization of related transmission assets following the straight line method, with Nil Residual Value.

Amortisation on additions to/deductions from Intangible Assets during the year is charged on pro-rata basis from/up to the date on which the asset is available for use/disposed.

The amortization period and the amortization method for intangible assets is reviewed at each financial year-end and are accounted for as change in accounting estimates in accordance with Ind AS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

2.6 Borrowing Costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalized (net of income on temporary deployment of funds) as part of the cost of such assets till the assets are ready for the intended use. Qualifying assets are assets which take a substantial period of time to get ready for their intended use.

All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

2.7 Impairment of non-financial assets

The carrying amounts of the SPV Group's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment considering the provisions of Ind AS 36 'Impairment of Assets'. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in the statement of profit and loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank, and deposits held at call with banks having a maturity of three months or less from the date of acquisition that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

2.9 Inventories

Inventories are valued at lower of the cost, determined on weighted average basis or net realizable value.

Steel scrap and conductor scrap are valued at estimated realizable value or book value, whichever is less.

Spares which do not meet the recognition criteria as Property, Plant and Equipment, including spare parts whose cost is less than ₹5,00,000/- are recorded as inventories.

Surplus materials as determined by the management are held for intended use and are included in the inventory.

The diminution in the value of obsolete, unserviceable and surplus stores and spares is ascertained on review and provided for.

2.10 Leases

Lease is a contract that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

To assess whether a contract conveys the right to control the use of an identified asset, the SPV Group assesses whether: (i) the contract involves use of an identified assets, (ii) the customer has substantially all the economic benefits from the use of the asset through the period of the lease and (iii) the customer has the right to direct the use of the asset.

i) As a Lessor

A lease is classified at the inception date as a finance lease or an operating lease.

a) **Finance leases**

A lease that transfers substantially all the risks and rewards incidental to ownership of an asset is classified as a finance lease.

Net investment in leased assets is recorded at the lower of the fair value of the leased property and the present value of the minimum lease payments as Lease Receivables under current and non-current other financial assets.

The interest element of lease is accounted in the Statement of Profit and Loss over the lease period based on a pattern reflecting a constant periodic rate of return on the net investment.

b) Operating leases

An operating lease is a lease other than a finance lease. Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases.

For operating leases, the asset is capitalized as property, plant and equipment and depreciated over its economic life. Rental income from operating lease is recognized over the term of the arrangement.

ii) As a Lessee

At the date of commencement of the lease, the SPV Group recognises a right-of-use asset (ROU) and a corresponding lease liability for all lease arrangements in which it is a lessee, except for lease with a term of twelve months or less (i.e. short term leases) and leases for which the underlying asset is of low value. For these short-term and leases for which the underlying asset is of low value, the SPV Group recognizes the lease payments on straight-line basis over the term of the lease.

Certain lease arrangements includes the options to extend or terminate the lease before the end of the lease term. ROU assets and lease liabilities includes these options when it is reasonably certain that they will be exercised.

The right-of-use assets are initially recognized at cost, which comprises the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the inception date of the lease along with any initial direct costs, restoration obligations and lease incentives received.

Subsequently, the right-of-use assets is measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The SPV Group applies Ind AS 36 to determine whether a ROU asset is impaired and accounts for any identified impairment loss as described in the accounting policy 2.7 on “Impairment of non-financial assets”.

The lease liability is initially measured at present value of the lease payments that are not paid at that date.

The interest cost on lease liability is expensed in the Statement of Profit and Loss, unless eligible for capitalization as per accounting policy 2.6 on “Borrowing costs”.

Lease liability and ROU asset have been separately presented in the financial statements and lease payments have been classified as financing cash flows.

2.11 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

Financial assets of the SPV Group comprise cash and cash equivalents, bank balances, security deposit, claims recoverable etc.

Classification

The SPV Group classifies its financial assets in the following categories:

- at amortised cost,
- at fair value through other comprehensive income

The classification depends on the following:

- the entity's business model for managing the financial assets and
- the contractual cash flow characteristics of the financial asset

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, if any, that are attributable to the acquisition of the financial asset.

Subsequent measurement

Debt Instruments at Amortised cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

Debt Instruments at Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI).

De-recognition of financial assets

A financial asset is derecognized only when

- The right to receive cash flows from the assets have expired, or
- The SPV Group has transferred the rights to receive cash flows from the financial asset, or
- Retains the contractual rights to receive the cash flows of the financial assets, but assumes a contractual obligation to pay the cash flows to one or more recipients.

The difference between the carrying amount and the amount of consideration received/receivable is recognised in the statement of Profit and Loss.

Impairment of financial assets:

For trade receivables, the SPV Group applies the simplified approach required by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

For recognition of impairment loss on other financial assets and risk exposure, the SPV Group determines whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 -month ECL.

Financial Liabilities

Financial liabilities of the SPV Group are contractual obligation to deliver cash or another financial asset to another entity or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the SPV Group.
The SPV Group’s financial liabilities include loans & borrowings, trade and other payables.

Classification, initial recognition and measurement

Financial liabilities are recognised initially at fair value minus transaction costs that are directly attributable to the issue of financial liabilities. Financial liabilities are classified as subsequently measured at amortized cost. 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 effective interest rate (EIR). Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the Statement of Profit and Loss over the period of the borrowings using the EIR.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognized.

The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

De-recognition of financial liability

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing 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 between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in Statement of Profit and Loss as other income or finance cost.

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.

2.12 Foreign Currency Translation

(a) Functional and presentation currency

Items included in the financial statements of the SPV Group are measured using the currency of the primary economic environment in which the SPV Group operates ('the functional currency'). The financial statements are presented in Indian Rupees (Rupees or ₹), which is the SPV Group's functional and presentation currency.

(b) Transactions and balances

Transactions in foreign currencies are initially recorded at the exchange rates prevailing on the date of the transaction. Foreign currency monetary items are translated with reference to the rates of exchange ruling on the date of the Balance Sheet. Non-Monetary items denominated in foreign currency are reported at the exchange rate ruling on the date of initial recognition of the non-monetary prepayment asset or deferred income liability, or the date that related item is recognized in the financial statements, whichever is earlier. In case the transaction is recognized in stages, then transaction date is established for each stage. Exchange differences arising from foreign currency translation are recognized in the Statement of Profit and Loss.

2.13 Income Tax

Income tax expense represents the sum of current and deferred tax. Tax is recognised in the Statement of Profit and Loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income. In this case the tax is also recognised directly in equity or in other comprehensive income.

Current income tax

The Current Tax is based on taxable profit for the year under the tax laws enacted and applicable to the reporting period in the country where the SPV Group operate and generate taxable income.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the SPV Group's financial statements and the corresponding tax bases used in the computation of taxable profit and is accounted for using the Balance Sheet method. Deferred tax assets are generally recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that future taxable profits will be available against which those deductible temporary differences, unused tax losses and unused tax credits can be utilised. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the Balance Sheet date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

2.14 Revenue

Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The SPV Group recognizes revenue when it transfers control over a product or service to a customer.

Amounts disclosed as revenue are net of returns, trade allowances, rebates.

2.14.1 Revenue from Operations

Transmission Income is accounted for based on orders issued by CERC u/s 63 of Electricity Act 2003 for adoption of transmission charges. As at each reporting date, transmission income includes an accrual for services rendered to the customers but not yet billed i.e. Unbilled Revenue.

The Transmission system incentive / disincentive is accounted for based on certification of availability by the respective Regional Power Committees and in accordance with the Transmission Service Agreement (TSA) entered between the Transmission Service Provider and long term Transmission Customers. Where certification by RPCs is not available, incentive/disincentive is accounted for on provisional basis as per estimate of availability by the SPV Group and differences, if any, is accounted on certification by RPCs.

2.14.2 Other Income

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Surcharge recoverable from trade receivables, liquidated damages, warranty claims and interest on advances to suppliers are recognized when no significant uncertainty as to measurability and collectability exists.

Scrap other than steel scrap & conductor scrap are accounted for as and when sold.

Insurance claims are accounted for based on certainty of realization.

Revenue from rentals and operating leases is recognized on an accrual basis in accordance with the substance of the relevant agreement.

2.15 Dividends

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution is recognised directly in equity.

2.16 Provisions and Contingencies

a) Provisions

Provisions are recognised when the SPV 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. If the effect of the time value of money is material, provisions are discounted. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each Balance Sheet date and are adjusted to reflect the current best estimate.

b) Contingencies

Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the SPV Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements. Contingent assets are not recognised.

2.17 Share capital and Other Equity

Ordinary shares are classified as equity.

Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

Self-insurance reserve is created @ 0.12% p.a. on Gross Block of Property, Plant and Equipment except assets covered under insurance as at the end of the year by appropriation of current year profit to mitigate future losses from un-insured risks and for taking care of contingencies in future by procurement of towers and other transmission line materials including strengthening of towers and equipment of AC substation. The Reserve created as above is shown as “Self Insurance Reserve” under ‘Other Equity’.

2.18 Prior Period Items

Material prior period errors are corrected retrospectively by restating the comparative amounts for prior period presented in which the error occurred or if the error occurred before the earliest period presented, by restating the opening statement of financial position.

2.19 Earnings per Unit

Basic earnings per unit is computed using the net profit or loss for the year attributable to the unit holders and weighted average number of units outstanding during the year.

Diluted earnings per unit is computed using the net profit or loss for the year attributable to the unit holders and weighted average number of equity and potential units outstanding during the year, except where the result would be anti-dilutive.

2.20 Statement of Cash Flows

Statement of Cash Flows is prepared as per indirect method prescribed in the Ind AS 7 'Statement of Cash Flows'.

3 Critical Estimates and Judgments

The preparation of financial statements requires the use of accounting estimates which may significantly vary from the actual results. Management also needs to exercise judgment while applying the SPV Group's accounting policies.

This note provides an overview of the areas that involved a higher degree of judgment or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed.

The areas involving critical estimates or judgments are:

Useful life of property, plant and equipment

The estimated useful life of property, plant and equipment is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

The SPV Group reviews at the end of each reporting date the useful life of plant and equipment and are adjusted prospectively, if appropriate.

Provisions and contingencies

The assessments undertaken in recognizing provisions and contingencies have been made in accordance with Ind AS 37, 'Provisions, Contingent Liabilities and Contingent Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.

Estimates and judgments are periodically evaluated. They are based on historical experience and other factors, including expectations of future events that may have a financial impact on the SPV Group and that are believed to be reasonable under the circumstances.

Estimation of uncertainties relating to the global health pandemic from COVID-19:

In assessing the recoverability of trade receivables and unbilled revenue, the SPV Group has considered internal and external information up to the date of approval of these financial statements including credit reports and economic forecasts. As the SPV Group's revenue is based on CERC tariff order and falls under essential services and based on the current indicators of future economic conditions, the SPV Group expects to recover the carrying amount of these assets.

Note 4/Property, Plant and Equipment

(₹ in million)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2020	Additions during the year	Disposal	Adjustment during the year	As at 31st December, 2020	As at 1st April, 2020	Additions during the year	Disposal	Adjustment during the year	As at 31st December, 2020	As at 31st December, 2020	As at 31st March, 2020
Land												
Freehold	201.20	-			201.20	-				-	201.20	201.20
Buildings												
Sub-Stations & Office	184.95	4.29			189.24	15.00	5.01			20.01	169.23	169.95
Water Supply Drainage & Sewerage	8.82	-			8.82	0.61	0.18			0.79	8.03	8.21
Plant & Equipment												
a) Transmission	60,464.91	118.98		13.58	60,570.31	6,686.28	1,164.09		12.84	7,837.53	52,732.78	53,778.63
b) Sub-station	10,119.53	17.21		2.85	10,133.89	1,097.13	194.84			1,291.97	8,841.92	9,022.40
c) Unified Load Despatch & Communication	29.18	0.89			30.07	2.66	1.20			3.86	26.21	26.52
Furniture Fixtures	8.19				8.19	1.18	0.65			1.83	6.36	7.01
Office equipment	1.79				1.79	0.13	0.34			0.47	1.32	1.66
Electronic Data Processing & Word Processing Machines	0.71				0.71	0.57	0.07			0.64	0.07	0.14
Construction and Workshop equipment	0.07				0.07	-	0.01			0.01	0.06	0.07
Electrical Installation	2.69				2.69	0.38	0.22			0.60	2.09	2.31
Workshop & Testing Equipments	0.75	3.53			4.28	0.10	0.05			0.15	4.13	0.65
Miscellaneous Assets/Equipments	0.14				0.14	0.02	0.02			0.04	0.10	0.12
Grand Total	**71,022.93**	**144.90**	**-**	**16.43**	**71,151.40**	**7,804.06**	**1,366.68**	**-**	**12.84**	**9,157.90**	**61,993.50**	**63,218.87**

The group owns 72.53 Hectare (31.03.2020: 72.53 Hectare, 31.03.2019: 72.53 Hectare and 31.03.2018: 72.53 Hectare) of Freehold Land amounting to ₹ 201.20 millions (31.03.2020: ₹ 201.20 millions, 31.03.2019: ₹201.20 millions and 31.03.2018: ₹ 197.77 millions) based on available documentation.

(₹ in million)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2020	As at 1st April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Land												
Freehold	201.20	-	-	-	201.20	-	-	-	-	-	201.20	201.20
Buildings												
Sub-Stations & Office	184.16	0.79	-	-	184.95	8.82	6.18	-	-	15.00	169.95	175.34
Water Supply Drainage & Sewerage	8.83	-	-	0.01	8.82	0.32	0.29	-	-	0.61	8.21	8.51
Plant & Equipment												
a) Transmission	59,797.32	1,014.28	-	346.69	60,464.91	3,499.73	3,186.55	-	-	6,686.28	53,778.63	56,297.59
b) Sub-station	9,994.79	124.74	-	-	10,119.53	563.69	533.44	-	-	1,097.13	9,022.40	9,431.10
c) Unified Load Despatch & Communication	29.18	-	-	-	29.18	1.12	1.54	-	-	2.66	26.52	28.06
Furniture Fixtures	8.18	0.01	-	-	8.19	0.66	0.52	-	-	1.18	7.01	7.52
Office equipment	0.43	1.36	-	-	1.79	0.03	0.10	-	-	0.13	1.66	0.40
Electronic Data Processing & Word Processing Machines	0.71	-	-	-	0.71	0.46	0.11	-	-	0.57	0.14	0.25
Construction and Workshop equipment	0.07	-	-	-	0.07	-	-	-	-	-	0.07	0.07
Electrical Installation	2.69	-	-	-	2.69	0.24	0.14	-	-	0.38	2.31	2.45
Workshop & Testing Equipments	0.75	-	-	-	0.75	0.06	0.04	-	-	0.10	0.65	0.69
Miscellaneous Assets/Equipments	0.14	-	-	-	0.14	0.01	0.01	-	-	0.02	0.12	0.13
Grand Total	**70,228.45**	**1,141.18**	**-**	**346.70**	**71,022.93**	**4,075.14**	**3,728.92**	**-**	**-**	**7,804.06**	**63,218.87**	**66,153.31**

(₹ in million)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2019	As at 1st April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Land												
Freehold	197.77	3.43	-	-	201.20	-	-	-	-	-	201.20	197.77
Buildings												
Sub-Stations & Office	145.77	38.39	-	-	184.16	3.51	5.31	-	-	8.82	175.34	142.26
Water Supply Drainage & Sewerage	8.83	-	-	-	8.83	0.02	0.30	-	-	0.32	8.51	8.81
Plant & Equipment												
a) Transmission	15,900.41	43,899.14	-	2.23	59,797.32	1,230.07	2,269.66	-	-	3,499.73	56,297.59	14,670.34
b) Sub-station	2,870.76	7,124.03	-	-	9,994.79	109.22	454.47	-	-	563.69	9,431.10	2,761.54
Communication	-	29.18	-	-	29.18	-	1.12	-	-	1.12	28.06	-
Furniture Fixtures	2.76	5.42	-	-	8.18	0.16	0.50	-	-	0.66	7.52	2.60
Office equipment	0.28	0.15	-	-	0.43	0.01	0.02	-	-	0.03	0.40	0.27
Electronic Data Processing & Word Processing Machines	0.53	0.18	-	-	0.71	0.39	0.07	-	-	0.46	0.25	0.14
Construction and Workshop equipment	0.07	-	-	-	0.07	-	-	-	-	-	0.07	0.07
Electrical Installation	2.69	-	-	-	2.69	0.10	0.14	-	-	0.24	2.45	2.59
Workshop & Testing Equipments	0.26	0.49	-	-	0.75	0.02	0.04	-	-	0.06	0.69	0.24
Miscellaneous Assets/Equipments	-	0.14	-	-	0.14	-	0.01	-	-	0.01	0.13	-
Grand Total	**19,130.13**	**51,100.55**	**-**	**2.23**	**70,228.45**	**1,343.50**	**2,731.64**	**-**	**-**	**4,075.14**	**66,153.31**	**17,786.63**

(₹ in million)

Particulars	Cost					Accumulated depreciation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Land												
Freehold	194.52	3.25	-	-	197.77	-	-	-	-	-	197.77	194.52
Buildings												
Sub-Stations & Office	-	145.77	-	-	145.77	-	3.51	-	-	3.51	142.26	-
Water Supply Drainage & Sewerage	-	8.83	-	-	8.83	-	0.02	-	-	0.02	8.81	-
Plant & Equipment												
a) Transmission	13,331.53	2,575.80	-	6.92	15,900.41	411.19	818.88	-	-	1,230.07	14,670.34	12,920.34
b) Sub-station	-	2,870.76	-	-	2,870.76	-	109.22	-	-	109.22	2,761.54	-
Furniture Fixtures	0.80	1.96	-	-	2.76	0.02	0.14	-	-	0.16	2.60	0.78
Office equipment	0.11	0.17	-	-	0.28	-	0.01	-	-	0.01	0.27	0.11
Electronic Data Processing & Word Processing Machines	0.38	0.15	-	-	0.53	0.25	0.14	-	-	0.39	0.14	0.13
Construction and Workshop equipment	0.07	-	-	-	0.07	-	-	-	-	-	0.07	0.07
Electrical Installation	-	2.69	-	-	2.69	-	0.10	-	-	0.10	2.59	-
Workshop & Testing Equipments	0.26	-	-	-	0.26	0.01	0.01	-	-	0.02	0.24	0.25
Grand Total	**13,527.67**	**5,609.38**	**-**	**6.92**	**19,130.13**	**411.47**	**932.03**	**-**	**-**	**1,343.50**	**17,786.63**	**13,116.20**

Note 5/Capital work in progress

(₹ in million)

Particulars	As at 1st April, 2020	Additions during the year	Adjustments	Capitalised during the year	As at 31st December, 2020
Buildings					
a) Sub-Stations & Office	-	-	-	-	-
b) Township	-	18.92	-	-	18.92
Plant & Equipments (including associated civil works)					
a) Transmission	-	120.00	-	120.00	-
b) Sub-Station	-	21.88	2.85	15.57	3.46
Construction Stores (Net of Provision)	-	-	-	-	-
Grand Total	**-**	**160.80**	**2.85**	**135.57**	**22.38**

(₹ in million)

Particulars	As at 1st April, 2019	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2020
Buildings					
Sub-Stations & Office	-	26.88	-	26.88	-
Plant & Equipments (including associated civil works)					
a) Transmission	-	635.45	202.09	433.36	-
b) Sub-Station	-	33.89	-	33.89	-
Construction Stores (Net of Provision)	86.57	16.20	102.77	-	-
Grand Total	**86.57**	**712.42**	**304.86**	**494.13**	**-**

(₹ in million)

Particulars	As at 1st April, 2018	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2019
Land					
Development of land	0.18	-	0.18	-	-
Buildings					
Sub-Stations & Office	381.12	234.52	-	615.64	-
Plant & Equipments (including associated civil works)					
a) Transmission	30,302.89	8,272.04	-	38,574.93	-
b) Sub-Station	4,954.76	803.45	-	5,758.21	-
Construction Stores (Net of Provision)	5,112.50	1.96	5,027.89	-	86.57
Expenditure pending allocation					
Expenditure during construction period(net)	4,541.21	1,625.48	(8.84)	6,175.53	-
Grand Total	**45,292.66**	**10,937.45**	**5,019.23**	**51,124.31**	**86.57**

(₹ in million)

Particulars	As at 1st April, 2017	Additions during the year	Adjustments	Capitalised during the year	As at 31st March, 2018
Land					
Development of land	0.18	-	-	-	0.18
Buildings					
Sub-Stations & Office	79.04	302.08	-	-	381.12
Plant & Equipments (including associated civil works)					
a) Transmission	7,704.02	25,030.89	-	2,432.02	30,302.89
b) Sub-Station	203.37	7,480.26	-	2,728.87	4,954.76
Construction Stores (Net of Provision)	7,411.93	3,503.15	5,802.58	-	5,112.50
Expenditure pending allocation					
Expenditure during construction period(net)	1,604.23	3,382.11	-	445.13	4,541.21
Grand Total	**17,002.77**	**39,698.49**	**5,802.58**	**5,606.02**	**45,292.66**

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Construction Stores				
Towers	-	-	32.00	1,589.90
Conductors	-	-	25.88	2,780.04
Other Line Materials	-	-	28.68	487.55
Sub-Station Equipments	-	-	0.01	180.34
Unified Load Despatch & Communication(ULDC) Materials	-	-	-	74.60
Others	-	-	-	0.07
Total	**-**	**-**	**86.57**	**5,112.50**
Construction Stores include:				
Material in transit				
Other Line Materials	-	-	-	0.99
Total	**-**	**-**	**-**	**0.99**

Note 6/Other Intangible assets

(₹ in million)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2020	Additions during the year	Disposal	Adjustment during the year	As at 31st December, 2020	As at 1st April, 2020	Additions during the year	Disposal	Adjustment during the year	As at 31st December, 2020	As at 31st December, 2020	As at 31st March, 2020
Electronic Data Processing Software	0.07	-	-	-	0.07	0.05	0.01	-	-	0.06	0.01	0.02
Right of Way-Afforestation Expenses	1,238.75	-	-	-	1,238.75	83.57	25.67	-	(12.84)	122.08	1,116.67	1,155.18
Total	**1,238.82**	**-**	**-**	**-**	**1,238.82**	**83.62**	**25.68**	**-**	**(12.84)**	**122.14**	**1,116.68**	**1,155.20**

(₹ in million)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2020	As at 1st April, 2019	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2020	As at 31st March, 2020	As at 31st March, 2019
Electronic Data Processing Software	0.07	-	-	-	0.07	0.03	0.02	-	-	0.05	0.02	0.04
Right of Way-Afforestation Expenses	903.03	0.71	-	(335.01)	1,238.75	18.17	65.39	-	(0.01)	83.57	1,155.18	884.86
Total	**903.10**	**0.71**	**-**	**(335.01)**	**1,238.82**	**18.20**	**65.41**	**-**	**(0.01)**	**83.62**	**1,155.20**	**884.90**

(₹ in million)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2019	As at 1st April, 2018	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2019	As at 31st March, 2019	As at 31st March, 2018
Electronic Data Processing Software	0.07	-	-	-	0.07	0.01	0.02	-	-	0.03	0.04	0.06
Right of Way-Afforestation Expenses	4.10	898.93	-	-	903.03	0.15	18.01	-	(0.01)	18.17	884.86	3.95
Total	**4.17**	**898.93**	**-**	**-**	**903.10**	**0.16**	**18.03**	**-**	**(0.01)**	**18.20**	**884.90**	**4.01**

(₹ in million)

Particulars	Cost					Accumulated Amortisation					Net Book Value	
	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 1st April, 2017	Additions during the year	Disposal	Adjustment during the year	As at 31st March, 2018	As at 31st March, 2018	As at 31st March, 2017
Electronic Data Processing Software	-	0.07	-	-	0.07	-	0.01	-	-	0.01	0.06	-
Right of Way-Afforestation Expenses	-	4.10	-	-	4.10	-	0.15	-	-	0.15	3.95	-
Total	**-**	**4.17**	**-**	**-**	**4.17**	**-**	**0.16**	**-**	**-**	**0.16**	**4.01**	**-**

Note 7/Intangible assets under development

(₹ in million)

Particulars	As at 1st April, 2020	Additions	Adjustments	Capitalised during the year	As at 31st December, 2020
Right of Way-Afforestation expenses	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(₹ in million)

Particulars	As at 1st April, 2019	Additions	Adjustments	Capitalised during the year	As at 31st March, 2020
Right of Way-Afforestation expenses	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**

(₹ in million)

Particulars	As at 1st April, 2018	Additions	Adjustments	Capitalised during the year	As at 31st March, 2019
Right of Way-Afforestation expenses	187.17	685.04	-	872.21	-
Total	**187.17**	**685.04**	**-**	**872.21**	**-**

(₹ in million)

Particulars	As at 1st April, 2017	Additions	Adjustments	Capitalised during the year	As at 31st March, 2018
Right of Way-Afforestation expenses	0.06	187.11	-	-	187.17
Total	**0.06**	**187.11**	**-**	**-**	**187.17**

Note 8/ Deferred tax Assets (Net)

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
A. Deferred Tax Liability				
Difference in book depreciation and tax depreciation	6,235.42	6,900.71	5,464.41	1,072.40
Deferred Tax Liability (A)	**6,235.42**	**6,900.71**	**5,464.41**	**1,072.40**
B. Deferred Tax Assets				
Unused Tax Losses	2,537.69	4,721.72	4,371.40	979.13
MAT Credit Entitlement	1,020.48	1,891.90	1,040.11	286.15
Others	-	0.01	-	-
Deferred Tax Assets (B)	**3,558.17**	**6,613.63**	**5,411.51**	**1,265.28**
Deferred Tax Assets (Net) (B-A)	**(2,677.25)**	**(287.08)**	**(52.90)**	**192.88**

Movement in Deferred Tax Liabilities (₹ in million)

Particulars	Property Plant and Equipment
As at 01.04.2017	**614.98**
Charged/(credited) to profit or loss	457.42
As at 31.03.2018	**1,072.40**
As at 01.04.2018	**1,072.40**
Charged/(credited) to profit or loss	4,392.01
As at 31.03.2019	**5,464.41**
As at 01.04.2019	**5,464.41**
Charged/(credited) to profit or loss	1,436.30
As at 31st March, 2020	**6,900.71**
As at 01.04.2020	**6,900.71**
Charged/(credited) to profit or loss	(665.29)
As at 31st December, 2020	**6,235.42**

Movement in Deferred Tax Assets (₹ in million)

Particulars	Unused Tax Losses	MAT Credit Entitlement	Others	Total
As at 01.04.2017	**677.36**	-	-	**677.36**
Charged/(credited) to profit or loss	301.77	286.15	-	587.92
As at 31.03.2018	**979.13**	**286.15**	-	**1,265.28**
As at 01.04.2018	**979.13**	**286.15**	-	**1,265.28**
Charged/(credited) to profit or loss	3,392.27	753.96	-	4,146.23
As at 31.03.2019	**4,371.40**	**1,040.11**	-	**5,411.51**
As at 01.04.2019	**4,371.40**	**1,040.11**	-	**5,411.51**
Charged/(credited) to profit or loss	350.32	851.79	0.01	1,202.12
As at 31st March, 2020	**4,721.72**	**1,891.90**	**0.01**	**6,613.63**
As at 01.04.2020	**4,721.72**	**1,891.90**	**0.01**	**6,613.63**
Charged/(credited) to profit or loss	(2,184.03)	(871.42)	(0.01)	(3,055.46)
As at 31st December, 2020	**2,537.69**	**1,020.48**	-	**3,558.17**

Amount taken to Statement of Profit and Loss (₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
(Increase)/ Decrease in Deferred Tax Liabilities	665.29	(1,436.30)	(4,392.01)	(457.42)
(Decrease) / Increase in Deferred Tax Assets	(3,055.46)	1,202.12	4,146.23	587.92
Total	**(2,390.17)**	**(234.18)**	**(245.78)**	**130.50**

Note 9/Other non-current Assets

(Unsecured considered good unless otherwise stated) (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Advances for Capital Expenditure				
Unsecured				
a. Against bank guarantees	-	-	2.05	402.58
b. Others	-	-	-	-
	-	-	2.05	402.58
Advances other than for Capital Expenditure				
Security Deposits	2.46	2.53	0.56	0.11
Balance with Customs Port Trust and other authorities	0.18	0.18	1.35	1.20
Advance tax and Tax deducted at source #	617.30	38.53	50.76	7.66
	619.94	41.24	52.67	8.97
TOTAL	**619.94**	**41.24**	**54.72**	**411.55**

Further notes:

Net of Current Tax Liabilities - Note 24.

Note 10/Inventories

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Components,Spares & other spare parts	309.45	309.45	209.45	108.63
Loose tools	0.73	0.73	0.38	0.31
TOTAL	**310.18**	**310.18**	**209.83**	**108.94**

Note 11/Trade receivables

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Trade receivables - Unsecured				
Considered good	1,881.07	1,737.21	1,189.27	506.72
Considered Doubtful	16.12	18.43	18.43	-
	1,897.19	1,755.64	1,207.70	506.72
Less: Provision for doubtful trade receivables	16.12	18.43	18.43	-
TOTAL	**1,881.07**	**1,737.21**	**1,189.27**	**506.72**

Note 12/Cash and Cash Equivalents

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Balance with banks-				
-In Current accounts	267.98	63.98	27.38	170.18
In term deposits (with maturity less than 3 months)	272.75	335.30	-	-
Total	**540.73**	**399.28**	**27.38**	**170.18**

Note 13/Other Current Financial Assets

(Unsecured considered good unless otherwise stated) (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Unbilled Revenue*	1,404.71	1,259.17	1,304.00	335.54
Interest accrued on Term/Fixed Deposits	0.06	0.31	-	-
Others				
Considered Good	0.05	0.04	1.80	3.08
Total	**1,404.82**	**1,259.52**	**1,305.80**	**338.62**

Further notes:

* Unbilled revenue includes transmission charges for the month of December 2020 amounting to ₹ 1,164.08 millions (for the month of March 2020: ₹ 992.58 millions , March 2019: ₹ 1,075.66 millions and March 2018: ₹ 297.34 millions) billed to beneficiaries in subsequent month. Further refer note no 45 for disclosure as per Ind AS 115 'Revenue from Contracts with Customers'.

Note 14/ Current Tax Asset (Net)

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Advance tax and Tax deducted at source				
Advance tax				
Opening Balance	598.10	480.50	222.00	47.50
Additions during the year	272.00	292.10	306.00	174.50
Less: Adjusted during the year	306.00	174.50	47.50	-
	564.10	598.10	480.50	222.00
Tax deducted at source	0.24	0.24	0.62	0.64
	564.34	598.34	481.12	222.64
Less: Tax Liabilities	564.34	595.04	477.65	173.20
	-	3.30	3.47	49.44
Income Tax Refund	-	53.51	53.51	-
TOTAL	**-**	**56.81**	**56.98**	**49.44**

Note 15/Other Current Assets

(Unsecured considered good unless otherwise stated) (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Advances other than for Capital Expenditure				
Advances recoverable in kind or for value to be received				
Balance with Customs Port Trust and other authorities	34.15	0.15	0.16	0.01
Claims recoverable	-	-	-	-
	34.15	0.15	0.16	0.01
Advances to related parties	91.25	-	-	-
Others*	170.29	33.70	33.70	-
Total	**295.69**	**33.85**	**33.86**	**0.01**

Further notes:

*Entry tax Deposit as per orders of Appellate authority for stay, part of contingent liability

Note 16/Equity Share capital

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Equity Share Capital				
Issued, subscribed and paid up				
1213040000 (31.03.2020: 1200680000, 31.03.2019 : 998680000, 31.03.2018 : 442280000) equity shares of ₹10/-each at par fully paid up	12,130.40	12,006.80	9,986.80	4,422.80

Further Notes:

1) Reconciliation of number and amount of share capital outstanding at the beginning and at the end of the reporting period

Particulars	As at 31st December, 2020		As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018	
	No.of Shares	Amount (₹ in million)	No.of Shares	Amount (₹ in million)	No.of Shares	Amount (₹ in million)	No.of Shares	Amount (₹ in million)
Shares outstanding at the beginning of the year	1200680000	12,006.80	998680000	9,986.80	442280000	4,422.80	236130000	2,361.30
Additions during the year	12360000	123.60	202000000	2,020.00	556400000	5,564.00	206150000	2,061.50
Deduction during the year	-	-	-	-	-	-	-	-
Shares outstanding at the end of the year	1213040000	12,130.40	1200680000	12,006.80	998680000	9,986.80	442280000	4,422.80

2) The Company has only one class of equity shares having a par value of ₹10/- per share.

3) The holders of equity shares are entitled to receive dividends as declared from time to time and to voting rights proportionate to their shareholding at meetings of the Shareholders.

4) Shareholders holding more than 5% equity shares of the Company

Particulars	As at 31st December, 2020		As at 31st March, 2020		As at 31st March, 2019		As at 31st March, 2018	
	No.of Shares	% of holding	No.of Shares	% of holding	No.of Shares	% of holding	No.of Shares	% of holding
Power Grid Corporation of India Limited	1213040000	100%	1200680000	100%	998680000	100%	442280000	100%

Note 17/Other Equity

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Reserves and Surplus				
Bonds Redemption Reserve	-	580.00	580.00	290.00
Self Insurance Reserve	-	195.36	110.17	24.85
Retained Earnings	2,750.93	2,554.86	1,505.97	397.28
Share application money	-	-	-	-
Total	**2,750.93**	**3,330.22**	**2,196.14**	**712.13**

Bonds Redemption Reserve (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	580.00	580.00	290.00	7.43
Addition during the year	-	-	290.00	282.57
Deduction during the year	580.00	-	-	-
Balance at the end of the year	**-**	**580.00**	**580.00**	**290.00**

Bonds Redemption Reserve is created for the purpose of redemption of debentures in term of the Companies Act, 2013.

Self Insurance Reserve (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	195.36	110.17	24.85	1.94
Addition during the year	(195.36)	85.19	85.32	22.91
Deduction during the year	-	-	-	-
Balance at the end of the year	**-**	**195.36**	**110.17**	**24.85**

Self-Insurance Reserve is created till 31.10.2020 @ 0.12% p.a. (0.12% p.a. in previous year) on the Gross Block of Property, Plant & Equipments not covered under insurance as at the end of the year to meet future losses which may arise from un-insured risks and for procurement of towers and other transmission line materials including strengthening of towers and equipments of AC sub-station to take care of future contingencies. The entire accumulated amount of self insurance has been transferred to Retained Earnings as all assets are covered under insurance from 01.11.2020.

Retained Earnings (₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Balance at the beginning of the year	2,554.86	1,505.97	397.28	(186.15)
Add: Additions				
Net Profit for the period	3,371.42	3,788.25	2,480.63	1,141.34
Transfer from Bond Redemption Reserve	580.00	-	-	-
Less: Appropriations				
Bonds Redemption Reserve	-	-	290.00	282.57
Self Insurance Reserve	(195.36)	85.19	85.32	22.91
Interim dividend paid	1,486.20	1,696.84	705.23	209.73
Tax on Interim dividend	-	348.79	144.96	42.70
Final Dividend	2,464.51	504.78	121.46	-
Tax on Final Dividend	-	103.76	24.97	-
Balance at the end of the year	**2,750.93**	**2,554.86**	**1,505.97**	**397.28**

Note 18/ Borrowings

(₹ in million)

Description	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
A) BONDS				
A1 Secured (Taxable, Redeemable, Non-Cumulative, Non-Convertible)				
Bonds of ₹ 1 million each redeemable at par at the end of 5th year				
2900 Bonds-8.90% redeemable on 10.06.2020	-	-	2,900.00	2,900.00
Total (A)	**-**	**-**	**2,900.00**	**2,900.00**
B) Term loans				
Loans from Power grid corporation of India Ltd. (Sponsor)	47,507.34	44,293.16	50,468.63	49,467.31
Total B	**47,507.34**	**44,293.16**	**50,468.63**	**49,467.31**
TOTAL (A TO B)	**47,507.34**	**44,293.16**	**53,368.63**	**52,367.31**

Further notes:

Details of terms of repayment and rate of interest

1 (a) Bonds numbering 2900 with a face value of ₹ 1.00 million each (Issued on 10th June 2015) aggregating to ₹ 2900.00 millions and said bonds are Secured, guaranteed, rated, unlisted, redeemable, taxable, non-cumulative, non-convertible bonds by way of private placement and said bonds carry an Interest Rate of 8.90% per annum and payable annually. Bonds are Redeemable at Par on 10th June 2020.

(b) The Bonds issued by the company are secured by an unconditional, irrecoverable and continuing guarantee from M/s Powergrid Corporation of India Ltd covering the entire amount payable on the Bonds.

(c) The Bonds issued by the company are secured by way of Registered Bond Trust Deed ranking Pari passu on movable property pertaining to Khammam-Nagarjunasagar 400 KV D/C Line and Srikakulam-Vemagiri 765 KV D/C Transmission Lines and floating charge on the assets of the Company.

2 The Inter Corporate Loan is provided by the Sponsor on cost to cost at a rate of interest of 8.2913%.

3 There has been no default in repayment of loan or payment of interest thereon as at the end of the financial year.

4 Details of transactions with related parties given at Note 37.

Note 19/ Deferred tax liabilities (Net)

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
A. Deferred Tax Liability				
Difference in book depreciation and tax depreciation	6,235.42	6,900.71	5,464.41	1,072.40
Deferred Tax Liability (A)	**6,235.42**	**6,900.71**	**5,464.41**	**1,072.40**
B. Deferred Tax Assets				
Unused Tax Losses	2,537.69	4,721.72	4,371.40	979.13
MAT Credit Entitlement	1,020.48	1,891.90	1,040.11	286.15
Others	-	0.01	-	-
Deferred Tax Assets (B)	**3,558.17**	**6,613.63**	**5,411.51**	**1,265.28**
Deferred Tax Liability (Net) (A-B)	**2,677.25**	**287.08**	**52.90**	**(192.88)**

Movement in Deferred Tax Liabilities (₹ in million)

Particulars	Property Plant and Equipment
As at 01.04.2017	**614.98**
Charged/(credited) to profit or loss	457.42
As at 31.03.2018	**1,072.40**
As at 01.04.2018	**1,072.40**
Charged/(credited) to profit or loss	4,392.01
As at 31.03.2019	**5,464.41**
As at 01.04.2019	**5,464.41**
Charged/(credited) to profit or loss	1,436.30
As at 31st March, 2020	**6,900.71**
As at 01.04.2020	**6,900.71**
Charged/(credited) to profit or loss	(665.29)
As at 31st December, 2020	**6,235.42**

Movement in Deferred Tax Assets (₹ in million)

Particulars	Unused Tax Losses	MAT Credit Entitlement	Others	Total
As at 01.04.2017	**677.36**	**-**	**-**	**677.36**
Charged/(credited) to profit or loss	301.77	286.15	-	587.92
As at 31.03.2018	**979.13**	**286.15**	**-**	**1,265.28**
As at 01.04.2018	**979.13**	**286.15**	**-**	**1,265.28**
Charged/(credited) to profit or loss	3,392.27	753.96	-	4,146.23
As at 31.03.2019	**4,371.40**	**1,040.11**	**-**	**5,411.51**
As at 01.04.2019	**4,371.40**	**1,040.11**	**-**	**5,411.51**
Charged/(credited) to profit or loss	350.32	851.79	0.01	1,202.12
As at 31st March, 2020	**4,721.72**	**1,891.90**	**0.01**	**6,613.63**
As at 01.04.2020	**4,721.72**	**1,891.90**	**0.01**	**6,613.63**
Charged/(credited) to profit or loss	(2,184.03)	(871.42)	(0.01)	(3,055.46)
As at 31st December, 2020	**2,537.69**	**1,020.48**	**-**	**3,558.17**

Amount taken to Statement of Profit and Loss (₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Increase/ (Decrease) in Deferred Tax Liabilities	(665.29)	1,436.30	4,392.01	457.42
Decrease / (Increase) in Deferred Tax Assets	3,055.46	(1,202.12)	(4,146.23)	(587.92)
Total	**2,390.17**	**234.18**	**245.78**	**(130.50)**

Note 20/Trade payables

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
For goods and services				
(A) total outstanding dues of micro enterprises and small enterprises	-	-	-	-
(B) total outstanding dues of creditors other than micro enterprises and small enterprises				
Related Party (Power Grid Corporation of India Limited)	86.25	7.73	-	-
Others	0.96	1.10	3.85	0.75
Total	**87.21**	**8.83**	**3.85**	**0.75**

Further Notes:

Disclosure with regard to Micro and Small enterprises as required under " Division II of Schedule III of The Companies Act, 2013" and “The Micro, Small and Medium Enterprises Development Act, 2006” is given in Note No 35(e)

Note 21/Other Current Financial Liabilities

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Current maturities of long term borrowings				
Secured				
Bonds	-	2,900.00	-	-
Un-secured				
Loan from Power Grid Corporation of India Limited	2,487.50	4,575.02	2,400.00	1,100.00
	2,487.50	7,475.02	2,400.00	1,100.00
Interest accrued but not due on borrowings from				
Power Grid Corporation of India Limited (Sponsor)	-	-	152.58	915.59
Secured redeemable Bonds	-	208.74	207.89	207.18
	-	208.74	360.47	1,122.77
Others				
Dues for capital expenditure	269.74	310.80	252.28	2,172.78
Deposits/Retention money from contractors and others	72.51	99.20	1,166.37	2,531.65
Related parties	166.89	41.82	102.34	435.99
Others*	1.30	132.86	23.64	24.38
	510.44	584.68	1,544.63	5,164.80
Total	**2,997.94**	**8,268.44**	**4,305.10**	**7,387.57**

Further notes:

*Others include excess billing done by CTU liability to be adjusted in next financial year.

Note 22/Other current liabilities

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Statutory dues	31.18	15.42	52.84	157.47
Total	**31.18**	**15.42**	**52.84**	**157.47**

Note 23/Provisions

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Provision				
As per last balance sheet	0.79	5.51	0.13	0.10
Additions/(adjustments) during the year	(0.43)	(4.72)	5.38	0.03
Closing Balance	**0.36**	**0.79**	**5.51**	**0.13**

Note 24/Current Tax Liabilities (Net)

(₹ in million)

Particulars	As at 31st December, 2020	As at 31st March, 2020	As at 31st March, 2019	As at 31st March, 2018
Taxation (Including interest on tax)				
As per last balance sheet	1,644.38	1,005.62	274.29	17.05
Additions during the year	(285.06)	851.78	753.96	274.40
Amount adjusted during the year	304.46	213.02	22.63	17.16
Total	**1,054.86**	**1,644.38**	**1,005.62**	**274.29**
Net off against Advance tax and TDS	1,052.48	1,642.96	974.77	273.64
Closing Balance	**2.38**	**1.42**	**30.85**	**0.65**

Note 25/Revenue from operations

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Sales of services				
Transmission Business				
Transmission Charges	9,922.84	13,242.87	9,771.56	3,435.69
Total	**9,922.84**	**13,242.87**	**9,771.56**	**3,435.69**

Refer notes on disclosure as per Ind AS 115 "Revenue from Contract with Customer"

Note26/Other income

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest income from financial assets at amortised cost				
Indian Banks	7.32	1.05	-	-
Others	0.39	0.08	5.70	-
	7.71	1.13	5.70	-
Interest from advances to contractors	-	-	9.85	62.13
	7.71	1.13	15.55	62.13
Others				
Surcharge	157.34	94.77	61.14	9.96
Provisions written back	2.61	0.01	-	-
Fair Value gain on initial recognition of Financial liability/investment	-	-	-	(7.03)
Miscellaneous income	0.31	2.16	2.24	10.34
	160.26	96.94	63.38	13.27
	167.97	**98.07**	**78.93**	**75.40**
Less: Transferred to expenditure during construction(Net)	-	-	9.29	55.10
TOTAL	**167.97**	**98.07**	**69.64**	**20.30**

Note 27/Finance costs

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Interest and finance charges on financial liabilities at amortised cost				
Secured redeemable Bonds	49.36	258.23	258.10	257.97
Interest on loan from Powergrid (Sponsor)	2,860.17	4,031.15	4,196.32	2,852.29
Unwinding of discount on financial liabilities	-	-	-	8.41
	2,909.53	4,289.38	4,454.42	3,118.67
Other Finance charges	0.47	1.35	0.67	0.27
Total	2,910.00	4,290.73	4,455.09	3,118.94
Less: Transferred to Expenditure during Construction(Net)-Note 30	-	-	1,173.64	1,961.11
Total	**2,910.00**	**4,290.73**	**3,281.45**	**1,157.83**

Note 28/Depreciation and amortization expense

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Depreciation of Property,Plant and Equipment	1,366.68	3,728.92	2,731.63	932.03
Amortization of Intangible assets	25.68	65.41	18.04	0.16
	1,392.36	3,794.33	2,749.67	932.19
Less: Transferred to Expenditure During Construction(Net)	-	-	0.04	0.03
Charged to Statement of Profit & Loss	**1,392.36**	**3,794.33**	**2,749.63**	**932.16**

Further notes:

The SPV Group was charging depreciation following the rates and methodology notified by CERC Tariff Regulations. During the year, a review of the useful life, residual value and methodology of depreciation of Property, Plant & Equipment (PP&E) and Intangible Assets is performed through technical evaluation and based on the pattern of consumption, Depreciation is charged based on revised useful lives on straight line basis prospectively. This has resulted in decrease in depreciation for the period ended 31st December, 2020 by an amount of ₹ 1,473.47 millions with corresponding increase in Profit before Tax and Net block of Property, Plant and Equipment.

Note 29/Other expenses

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Repair & Maintenance				
Buildings	-	-	0.07	0.25
Plant & Machinery				
Sub-Stations	57.96	102.75	78.57	-
Transmission lines	170.37	214.08	106.42	44.33
Others	-	-	0.20	-
	228.33	316.83	185.19	44.33
System and Market Operation Charges	8.07	12.18	1.37	1.64
Power charges	14.79	-	0.34	3.17
Expenses of Diesel Generating sets	-	-	-	0.01
Water charges	-	-	-	0.02
Training & Recruitment Expenses	-	-	-	0.03
Legal expenses	0.07	0.07	59.26	17.65
Professional charges	0.49	0.94	210.45	424.66
Consultancy expenses	-	-	270.59	1,041.90
Communication expenses	0.02	-	-	0.02
Inland Travelling Expenses	-	-	-	0.40
Tender expenses	-	-	1.46	0.21
Payments to Statutory Auditors				
Audit Fees	0.27	0.50	0.42	0.26
Tax Audit Fees	0.04	0.13	0.09	0.06
In Other Capacity	0.01	0.01	0.05	-
Out of pocket Expenses	-	0.09	0.10	0.07
	0.32	0.73	0.66	0.39
Advertisement and publicity	-	-	0.07	0.23
Printing and stationery	-	-	-	0.01
EDP hire and other charges	-	-	-	0.01
Brokerage & Commission	-	0.04	0.04	0.28
Cost Audit and Physical verification Fees	-	0.17	0.07	0.03
CERC petition & Other charges	14.37	14.89	15.38	6.15
Miscellaneous expenses	0.33	2.47	2.52	8.63
Security Expenses	11.68	-	-	-
Hiring of Vehicle	-	-	0.02	1.14
Insurance	33.91	-	-	-
Rates and taxes	0.01	2.25	14.39	5.65
License Fees to DOT	-	-	-	0.01
Corporate Social Responsibility (CSR) Expenses	-	29.97	7.09	-
Transit Accomodation Expenses	-	0.27	-	-
Foreign Exchange Rate Variation	(0.47)	0.83	3.43	-
Provisions	-	-	18.45	-
	311.92	**381.64**	**790.85**	**1,556.82**
Less:Transferred to Expenditure during Construction(Net)	-	-	461.09	1,476.07
Total	**311.92**	**381.64**	**329.76**	**80.75**

Note 30/ Expenditure during Construction (Net)

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
A.Other Expenses				
Power charges	-	-	-	1.51
Legal expenses	-	-	35.91	17.59
Professional charges	-	-	209.93	423.18
Consultancy expenses	-	-	203.66	1,025.50
Communication expenses	-	-	-	0.02
Tender expenses	-	-	0.52	0.21
Payment to Auditors	-	-	0.04	0.16
Advertisement and Publicity	-	-	0.07	0.23
CERC petition & Other charges	-	-	6.20	0.05
Miscellaneous expenses	-	-	0.66	4.13
Hiring of Vehicles	-	-	0.02	0.03
Rates and taxes	-	-	4.08	3.46
Total (A)	**-**	**-**	**461.09**	**1,476.07**
B.Depreciation/Amortisation	-	-	0.04	0.03
Total (B)	**-**	**-**	**0.04**	**0.03**
C.Finance Costs				
Interest and finance charges on financial liabilities at amortised cost				
Powergrid Corporation of India Limited	-	-	1,173.64	1,961.11
Total (C)	**-**	**-**	**1,173.64**	**1,961.11**
D. Less: Other Income				
Interest from				
Contractors	-	-	9.29	62.13
Others	-	-	-	(7.03)
Total (D)	**-**	**-**	**9.29**	**55.10**
GRAND TOTAL (A+B+C-D)	**-**	**-**	**1,625.48**	**3,382.11**

31. Exceptional and Extraordinary items

There are no exceptional and extraordinary items as at the Balance Sheet date.

32. Party Balances and Confirmations

Balances of Trade Receivables and Recoverable shown under Assets and Trade and Other Payables shown under Liabilities include balances subject to confirmation/reconciliation and consequential adjustments if any. However reconciliations are carried out on ongoing basis.

33. POWERGRID (Sponsor) in the capacity of CTU is entrusted with the job of centralized Billing, Collection and Disbursement (BCD) of transmission charges on behalf of all the IST licencees. Accordingly CTU is raising bills for transmission charges to DICs on behalf of IST licencees. The debtors are accounted based on the list of DICs given by CTU.

34. Foreign Currency Exposure

Not hedged by a derivative instrument or otherwise –

Particulars		Amount in Foreign Currency (in million)				Amount (₹ in million)			
		As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018	As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Trade Payables/deposits and retention money	USD	0.01	0.33	0.86	0.68	0.61	24.17	60.22	42.10
Amount of contracts remaining to be executed	USD	-	-	0.01	0.67	-	-	0.74	44.07

35. Other Disclosures

a. Employee Benefits

The SPV Group does not have any permanent employees. The personnel working for the SPV Group are from sponsor on secondment basic and are working on time share basis. The employee cost (including retirement benefits such as Gratuity, Leave encashment, post-retirement benefits etc.) in respect of personnel working for the SPV Group are paid by sponsor and sponsor is raising the invoice to the SPV Group towards Consultancy charges for maintenance of Transmission Line as per the agreements. Since there are no employees in SPV Group, the obligation as per Ind-AS 19 does not arise. Accordingly, no provision is considered necessary for any retirement benefit like gratuity, leave salary, pension etc., in the books of the SPV Group.

b. Leases

The SPV group does not have any lease arrangements either as lessee or lessor. Therefore Ind AS 116 does not apply to the SPV group.

c. FERV

FERV Loss/(Gain) of ₹ (0.47) millions for the period ended 31.12.2020 (31.03.2020: ₹ 0.83 millions, 31.03.2019: ₹ 3.43 millions and 31.03.2018: ₹ Nil) has been recognised in the Statement of Profit and Loss.

d. Borrowing cost

Borrowing cost capitalised for the period ended 31.12.2020 is ₹Nil (31.03.2020: ₹Nil, 31.03.2019: ₹1173.64 millions and 31.03.2018: ₹1961.11 millions) in the respective carrying amount of Property, Plant and Equipment/Capital work in Progress (CWIP) as per Ind AS 23 'Borrowing Costs'.

e. Dues to Micro and Small Enterprises

The information required to be disclosed under the Micro, Small and Medium Enterprises Development Act, 2006 has been determined to the extent such parties have been identified on the basis of information available with the SPV group. There are no over dues to parties on account of principal amount and / or interest and accordingly no additional disclosures have been made.

f. Corporate Social Responsibilities (CSR) :

As per section 135 of the Companies Act, 2013, along with Companies (Corporate Social responsibility Policy) Rules, 2014 read with DPE guidelines no F.N0.15 (13)/2013-DPE (GM), the SPV Group is required to spend, in every financial year, at least two per cent of the average net profits of the SPV Group made during the three immediately preceding financial years in accordance with its Corporate Social Responsibility Policy.

The details of CSR expenses for the year is as under

(₹ in million)

S No	Particulars	For the period ended 31.12.2020	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2018
A.	Amount required to be spent during the year	64.27	29.94	7.09	-
B.	Amount spent on CSR – (i) Construction or acquisition of any asset		1.94	0.71	-
	(ii) on Purpose other than (i) above	-	28.03	6.38	-
C.	Shortfall / (Excess)	64.27	(0.03)	-	-
D.	Break-up of the amount spent on CSR				
1	Education and Skill Development expenses	-	15.58	-	-
2	Ecology and Environment Expenses	-	1.94	7.09	
3	Health and Sanitation expenses	-	0.29	-	
4	Other CSR activities	-	12.16	-	
	Total Spent	-	29.97	7.09	-
	Amount spent in Cash out of above	-	29.94	7.09	
	Amount yet to be spent in Cash	-	0.03		

36. Fair Value Measurements

(₹ in million)

Financial Instruments by category	As at 31.12.2020		As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
	FVOCI	Amortised cost	FVOCI	Amortised cost	FVOCI	Amortise d cost	FVOCI	Amortised cost
Financial Assets								
Trade Receivables	-	1,881.07	-	1,737.21	-	1,189.27	-	506.72
Cash & cash Equivalents	-	540.73	-	399.28	-	27.38	-	170.18
Bank Balance	-	-	-	-	-	-	-	-
Other Financial Assets								
Current	-	1,404.82	-	1,259.52	-	1,305.80	-	338.62
Non-Current	-	-	-	-	-	-	-	-
Total Financial assets	**-**	**3,826.62**	**-**	**3,396.01**	**-**	**2,522.45**	**-**	**1,015.52**
Financial Liabilities								
Borrowings	-	49,994.84	-	51,976.92	-	56,129.10	-	54,590.08
Trade Payables	-	87.21	-	8.83	-	3.85	-	0.75
Other Financial Liabilities								
Current	-	510.44	-	584.69	-	1,544.63	-	5,164.80
Non-Current	-	-	-	-	-	-	-	-
Total financial liabilities	**-**	**50,592.49**	**-**	**52,570.44**	**-**	**57,677.58**	**-**	**59,755.63**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are measured at fair value and financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the SPV Group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

Financial instruments that are measured at Amortised Cost:

(₹ in million)

Particulars	Level	As at 31.12.2020		As at 31.03.2020		As at 31.03.2019		As at 31.03.2018	
		Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value	Carrying Amount	Fair value
Financial Assets		-	-	-	-	-	-	-	-
Financial Liabilities									
Borrowings	2	49,994.84	49,994.84	51,976.92	51,525.16	56,129.10	54,633.43	54,590.08	53,224.29
Total financial liabilities		**49,994.84**	**49,994.84**	**51,976.92**	**51,525.16**	**56,129.10**	**54,633.43**	**54,590.08**	**53,224.29**

The carrying amounts of trade receivables, cash and cash equivalents, othercurrent financial assets and other current financial liabilities are considered to be the same as their fair values, due to their short-term nature.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

Level 1: Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity Instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (includingbonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period. The mutual funds are valued using the closing NAV.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.This is the case for unlisted equity securities, contingent consideration and indemnification asset included in level 3.

There are no transfers between levels 1 and 2 during the year.

The SPV Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

• the use of quoted market prices or dealer quotes for similar instruments

• the fair value of the remaining financial instruments is determined using discounted cash flow analysis.

All of the resulting fair value estimates are included in level 2

37. Related party Transactions

(a) Holding Company and Sponsor

Name of entity	**Place of business/country of incorporation**
Power Grid Corporation of India Limited	India

(b) Subsidiaries of Sponsor

Name of entity	**Place of business/country of incorporation**
POWERGRID Vizag Transmission Limited	India
POWERGRID NM Transmission Limited	India
POWERGRID Unchahar Transmission Limited	India
POWERGRID Kala Amb Transmission Limited	India
POWERGRID Jabalpur Transmission Limited	India

Name of entity	Place of business/country of incorporation
POWERGRID Warora Transmission Limited	India
POWERGRID Parli Transmission Limited	India
POWERGRID Southern Interconnector Transmission System Limited	India
POWERGRID Vemagiri Transmission Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India
POWERGRID Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited)	India
POWERGRID Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India
POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India
POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India
POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India
POWERGRID Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India
POWERGRID Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India
POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India
POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India
Central Transmission Utility of India Limited[1]	India

[1] Incorporated as wholly owned subsidiary of Sponser on 28th December, 2020.

(c) Joint Ventures of Sponsor

Name of entity	Place of business/country of incorporation
Powerlinks Transmission Limited	India
Torrent Power Grid Limited	India
Jaypee Powergrid Limited	India
Parbati Koldam Transmission Company Limited	India
Teestavalley Power Transmission Limited	India
North East Transmission Company Limited	India
National High Power Test Laboratory Private Limited	India
Bihar Grid Company Limited	India
Kalinga Bidyut Prasaran Nigam Private Limited#	India
Cross Border Power Transmission Company Limited	India
RINL Powergrid TLT Private Limited##	India
Power Transmission Company Nepal Limited	Nepal

#The present status of Kalinga Bidyut Prasaran Nigam Private Limited as per MCA website is "Strike Off".

POWERGRID's Board of Directors in its meeting held on 1st May 2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 01st March, 2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

(d) Key Management Personnel

SPV	Name	Designation
POWERGRID Vizag Transmission Limited	Ms. Seema Gupta	Chairperson
	Ms. V Susheela Devi	Director
	Sh. D C Joshi	Director [ceased to be Director w.e.f. 31.07.2020]
	Sh. B Anantha Sarma	Director w.e.f. 21.05.2020
	Sh. Upendra Pande	Director w.e.f. 11.12.2020
	Sh. Anil Jain	Director [ceased to be Director w.e.f. 30.04.2020]
	Sh. Anoop Kumar	Additional Director w.e.f. 05.03.2020
	Sh. D Sudarshan	Chief Financial Officer [ceased to be CFO w.e.f. 03.09.2020]
	Sh. K Raja	Chief Financial Officer w.e.f. 04.09.2020
	Sh. Arup Kumar Samanta	Company secretary
POWERGRID Kala Amb Transmission Limited	Sh.D. C. Joshi	Chairperson [ceased to be chairperson w.e.f. 31.07.2020]
	Sh.Abhay Choudhary	Chairperson
	Smt. V. Susheela Devi	Director
	Sh.Rakesh Kumar	Director
	Sh. Atul Trivedi	Director
	Sh.S . K. Rai	Chief Financial Officer
POWERGRID Jabalpur Transmission Limited	Smt. Seema Gupta	Chairperson
	Sh.Abhay Choudhary	Director [ceased to be Director w.e.f. 08.12.2020]
	Smt. Susheela Devi	Director
	Sh.S.D. Joshi	Director
	Sh. Upendra Pande	Additional Director w.e.f. 17.12.2020
	Sh.Ajaya Kumar Satapathy	Chief Financial Officer
POWERGRID Warora Transmission Limited	Smt. Seema Gupta	Chairperson
	M. Taj Mukarrum	Director [ceased to be Director w.e.f. 28.07.2020]
	Sh.D.C.Joshi	Director [ceased to be Director w.e.f. 31.07.2020]
	Sh. Naga Raju Aqza	Additional Director
	Sh.S.D. Joshi	Director
	Sh. Purshottam Agarwal	Director w.e.f. 30.07.2020
	Sh. Anantha Sarma Bopuddi	Additional Director w.e.f. 30.11.2020
	Sh.G. Ravikumar	Chief Financial Officer
	Ms. Anjana Luthra	Company Secretary [ceased to be company secretary w.e.f. 05.11.2020]
POWERGRID Parli Transmission Limited	Smt. Seema Gupta	Chairperson
	M. Taj Mukarrum	Director [ceased to be Director w.e.f. 28.07.2020]
	Sh. Abhay Choudhary	Director [ceased to be Director w.e.f. 08.12.2020]
	Sh. N.K.Ohdar	Additional Director [ceased to be Director we.f. 31.07.2020]
	Sh. Purshottam Agarwal	Director w.e.f. 30.07.2020
	Sh. Anantha Sarma Bopuddi	Additional Director w.e.f. 26.11.2020
	Sh. Arunasis Basu	Chief Financial Officer
	Ms. Shikha Gupta	Company Secretary [ceased to be company secretary w.e.f. 01.12.2020]

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in million)

Particulars	**For the period ended 31.12.2020**	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Services received by the SPV Group				
Consultancy Charges				
Sponsor:				
Power Grid Corporation of India limited	217.55	415.19	596.01	1,288.31
Total	**217.55**	**415.19**	**596.01**	**1,288.31**
Interest on Loan				
Sponsor:				
Power Grid Corporation of India limited	2,860.17	4,031.15	4,196.32	2,852.29
Total	**2,860.17**	**4,031.15**	**4,196.32**	**2,852.29**
Investments received during the year (Equity)				
Sponsor:				
Power Grid Corporation of India limited	123.60	2,020.00	5,564.00	2,061.50
Total	**123.60**	**2,020.00**	**5,564.00**	**2,061.50**

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in million)

Particulars	**As at 31.12.2020**	**As at 31.03.2020**	**As at 31.03.2019**	**As at 31.03.2018**
Amount Payables				
Loans from Sponsor				
Power Grid Corporation of India limited	49,994.84	48,868.18	52,868.63	50,567.31
Total	**49,994.84**	**48,868.18**	**52,868.63**	**50,567.31**
Interest Accrued on loan from Sponsor				
Power Grid Corporation of India limited	-	-	152.58	915.59
Total	**-**	**-**	**152.58**	**915.59**
Other Payables				
Power Grid Corporation of India limited	161.89	49.55	102.34	433.12
Total	**161.89**	**49.55**	**102.34**	**433.12**

38. Segment Information

Business Segment

The Board of Directors is the SPV Group's Chief operating decision maker who monitors the operating results of its business segments separately for the purpose of making decisions about resource allocation and performance assessment. One reportable segments have been identified on the basis of product/services. The SPV Group has a single reportable segment i.e., Power transmission network for transmission system.

The operations of the SPV Group are mainly carried out within the country and therefore there is no reportable geographical segment.

39. Capital and other Commitments

(₹ in million)

Particulars	**As at 31.12.2020**	**As at 31.03.2020**	**As at 31.03.2019**	**As at 31.03.2018**
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	200.89	280.09	1,116.52	4,351.09

40. Contingent Liabilities and contingent assets

<u>Contingent Liabilities</u>

Claims against the SPV Group not acknowledged as debts in respect of:

(i) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 0.01 millions as on 31.12.2020 (31.03.2020: ₹0.01 millions, 31.03.2019: ₹0.01 millions and 31.03.2018: ₹ Nil) has been estimated.

(ii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 5.89 millions as on 31.12.2020 (31.03.2020: ₹5.89 millions, 31.03.2019: ₹5.89 millions and 31.03.2018: ₹5.89 millions) has been estimated.

(iii) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to ₹100.30 millions as on 31.12.2020 (31.03.2020: ₹96.28 millions, 31.03.2019: ₹96.28 millions and 31.03.2018: ₹96.28 millions) contested before the Appellant Deputy Commissioner.

In this regard, the ADC vide order dt.26.07.2018 in ADC Order No.777 had granted a conditional stay upon the SPV Group depositing 35% of the disputed tax, i.e., ₹ 33.70 millions. Pursuant to the disposal of the stay order, till date, there is no communication from the ADC's office regarding the hearing on the appeal in the main case. As on date, the SPV Group has a stay on payment of the balance disputed tax of 65%, and the hearing on the main appeal is pending before authorities. The SPV Group is confident that this matter will be disposed off in favour of the SPV Group.

(iv) Others

Other contingent liabilities amounts to ₹ 114.37 millions as on 31.12.2020 (31.03.2020: ₹2,232.24 millions, 31.03.2019: ₹768 millions and 31.03.2018: ₹Nil) out of which ₹ 53.51 millions (31.03.2020: ₹8.21 millions, 31.03.2019: ₹768 millions and 31.03.2018: ₹Nil) related to Arbitration cases/RoW cases.

(v) Power Grid Corporation of India Ltd. (Sponsor) has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ Nil as on 31.12.2020 (31.03.2020: ₹2,900 millions, 31.03.2019: ₹ 2,900 millions and 31.03.2018: ₹ 2,900 millions) against bond issued by SPV group. SPV group has redeemed the said bonds along with interest on 10.06.2020 and above guarantee is yet to be released by IDBI trustees.

41. Capital management

a) Risk Management

The SPV Group's objectives when managing capital are to

- maximize the stakeholders value;
- safeguard its ability to continue as a going concern;
- maintain an optimal capital structure to reduce the cost of capital.

For the purpose of the SPV Group's capital management, equity capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the SPV Group. The SPV Group manages its capital structure and makes adjustments in light of changes in economic conditions, regulatory framework and requirements of financial covenants with lenders. To maintain or adjust the capital structure, the SPV Group may adjust the dividend payment to stakeholders, regulate investments in new projects, return capital to stakeholdersor issue new shares.

The debt – equity ratio of the SPV Group was as follows :

Particulars	As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Long term debt (₹ in million)*	49,994.84	51,768.18	55,768.63	53,467.31
Equity (₹ in million)	14,881.33	15,337.02	12,182.94	5,134.93
Long term debt to Equity ratio	3.36	3.38	4.58	10.41

* Long term debt includes current maturities of long term debt.

No changes were made in the objectives, policies or processes for managing capital during the period ended 31st December, 2020 and year ended 31st March, 2020, 31st March 2019 and 31st March 2018.

b) Dividends

(₹ in million)

Particular	As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
(i) Equity shares				
Final dividend	2,464.51	504.78	121.46	-
Interim dividend	1,486.20	1,696.84	705.23	209.73

Dividend Not Recognised at the end of the Reporting Period:

In addition to the above dividend, the Board of Directors respective SPVs declared the payment of a Interim dividend as follows:

(Amount in ₹)

Particulars	Dividend per fully paid equity share
POWERGRID Vizag Transmission Limited	1.75
POWERGRID Kala Amb Transmission Limited	0.70
POWERGRID Jabalpur Transmission Limited	1.40
POWERGRID Warora Transmission Limited	0.84
POWERGRID Parli Transmission Limited	1.18

42. Earnings per Unit

The number of units that will be issued to investors in the proposed Initial Public Offer and to Sponsor in exchange of the shareholdings in the SPV Group and against the loan from Sponsor is not presently ascertainable. Hence the disclosures in respect of Earnings per Unit have not been given.

43. Financial Risk Management:

The SPV Group's principal financial liabilities comprise loans and borrowings denominated in Indian rupees, trade payables and other payables. The main purpose of these financial liabilities is to finance the SPV Group's capital investments and operations.

The SPV Group's principal financial assets include trade and other receivables, and cash and cash equivalents that are generated from its operations.

The SPV Group's activities expose it to the following financial risks, namely,

a) Credit risk,
b) Liquidity risk,
c) Market risk.

This note presents information regarding the SPV Group's exposure, objectives, policies and processes for measuring and managing these risks.

The management of financial risks by the SPV Group is summarized below:-

A) Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The SPV Group is exposed to credit risk from its operating activities on account of trade receivables.

A default on a financial asset is when the counterparty fails to make contractual payments within 3 years of when they fall due. This definition of default is determined considering the business environment in which the SPV Group operates and other macro-economic factors.

Assets are written-off when there is no reasonable expectation of recovery, such as a debtor declaring bankruptcy or failing to engage in a repayment plan with the SPV Group. Where loans or receivables have been written off, the SPV Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognized in the statement of profit and loss.

(i) Trade Receivables

The SPV Group primarily provides transmission facilities to inter-state transmission service customers (DICs) comprising mainly state utilities owned by State Governments. CERC tariff regulations allows payment against monthly bills towards transmission charges within a period of 45 days from the date of the bill and levy of charge on delayed payment beyond 45 days. A graded rebate is provided by the SPV Group for payment made within 45 days.

Trade receivables consist of receivables relating to transmission services of ₹ 1,897.19 millions as on 31.12.2020 (31.03.2020: ₹1,755.64 millions, 31.03.2019: ₹1,207.70 millions and 31.03.2018: ₹506.72 millions).

Unbilled revenue primarily relates to SPV Group's right to consideration for work completed but not billed at the reporting date and have substantially same risk characteristics as the trade receivables for the same type of contract.

(ii) Other Financial Assets (excluding trade receivables)

- **Cash and cash equivalents**

The SPV Group held cash and cash equivalents of ₹ 540.73 millions as on 31.12.2020 (31.03.2020: ₹399.28 millions, 31.03.2019: ₹ 27.38 millions and 31.03.2018: ₹ 170.18 millions). The cash and cash equivalents are held with public sector banks and high rated private sector banks and do not have any significant credit risk.

- **Exposure to credit risk**

(₹ in million)

Particulars	As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)				
Cash and cash equivalents	540.73	399.28	27.38	170.18
Other current financial assets	0.11	0.35	1.80	3.08
Total	**540.84**	**399.63**	**29.18**	**173.26**
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)				
Trade receivables	1,897.19	1,755.64	1,207.70	506.72
Unbilled Revenue	1,404.71	1,259.17	1,304.00	335.54

- **Provision for expected credit losses**

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The SPV Group has assets where the counter-parties have sufficient capacity to meet the obligations and where the risk of default is very low. At initial recognition, financial assets (excluding trade receivables) are considered as having negligible credit risk and the risk has not increased from initial recognition. Therefore expected credit loss provision is not required.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The SPV Group has customers most of whom are state government utilities with capacity to meet the obligations and therefore the risk of default is negligible. Further, management believes that the unimpaired amounts that are 30 days past due date are still collectible in full, based on the payment security mechanism in place and historical payment behavior. Considering the above factors and the prevalent regulations, the trade receivables continue to have a negligible credit risk on initial recognition and thereafter on each reporting date.

- **Ageing analysis of trade receivables**

(₹ in million)

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as on 31.12.2020	-	753.44	366.79	233.69	185.96	357.31	1,897.19
Gross carrying amount as on 31.03.2020	-	753.48	321.46	183.97	106.64	390.09	1,755.64
Gross carrying amount as on 31.03.2019	-	469.91	388.41	206.90	28.24	114.24	1,207.70
Gross carrying amount as on 31.03.2018	9.85	336.87	63.17	16.94	19.83	60.06	506.72

- **Reconciliation of impairment loss provisions**

The movement in the allowance for impairment in respect of financial assets during the year was as follows:

(₹ in million)

Particulars	Trade receivables
Balance as at 01.04.2017	**-**
Impairment loss recognized/ (reversed)	-
Amounts written off	-
Balance as at 31.03.2018	**-**
Impairment loss recognized/ (reversed)	18.43
Amounts written off	-
Balance as at 31.03.2019	**18.43**
Impairment loss recognized/ (reversed)	-
Amounts written off	-
Balance as at 31.03.2020	**18.43**
Impairment loss recognized/ (reversed)	(2.31)
Amounts written off	-
Balance as at 31.12.2020	**16.12**

Based on historic default rates, the SPV Group believes that, apart from the above, no impairment allowance is necessary in respect of any other assets as the amounts are insignificant.

B) Liquidity risk

Liquidity risk management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. The SPV Group has entered into Inter-Corporate Loan Agreement for Funding of its obligations. For this, SPV Group provided quarterly cashflows in advance to Holding Company with Monthly requirement.

Financing Arrangements

The SPV Group had access to the borrowing facilities with the Holding Company as per Agreement at the end of the reporting period.

Maturities of financial liabilities

The tables below analyses the SPV Group's financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities.

The amount disclosed in the table is the contractual undiscounted cash flows

(₹ in million)

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
As at 31.12.2020				
Borrowings (including interest outflows)	6,339.30	23,124.24	66,676.47	96,140.01
Trade payables	87.21	-	-	87.21
Other financial liabilities	510.44	-	-	510.44
Total	**6,936.95**	**23,124.24**	**66,676.47**	**96,737.66**
As at 31.03.2020				
Borrowings (including interest outflows)	7,752.26	29,778.10	47,327.91	84,858.27
Trade payables	8.83	-	-	8.83
Other financial liabilities	584.68	-	-	584.68
Total	**8,345.77**	**29,778.10**	**47,327.91**	**85,451.78**
As at 31.03.2019				
Borrowings (including interest outflows)	6,753.59	33,217.64	50,425.30	90,396.53
Trade payables	3.85	-	-	3.85

Contractual maturities of financial liabilities	Within a year	Between 1-5 years	Beyond 5 years	Total
Other financial liabilities	1,544.63	-	-	1,544.63
Total	**8,302.07**	**33,217.64**	**50,425.30**	**91,945.01**
As at 31.03.2018				
Borrowings (including interest outflows)	4,983.34	30,190.22	53,936.84	89,110.40
Trade payables	0.75	-	-	0.75
Other financial liabilities	5,164.80	-	-	5,164.80
Total	**10,148.89**	**30,190.22**	**53,936.84**	**94,275.95**

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:

i. Currency risk

ii. Interest rate risk

i) Currency risk

The SPV Group is exposed to currency risk in respect of procurement of goods and services whose purchase consideration is denominated foreign currency. The currency risk in respect of goods and services procured for operation activities is not significant.

The SPV Group's exposure to foreign currency risk at the end of the reporting period expressed in INR is provided in Note No. 34.

ii) Interest rate risk

The SPV Group has taken borrowings from Holding Company on cost to cost basis and fixed rate. The SPV Group is exposed to interest rate risk because the cash flows associated with floating rate borrowings. The various sources of loans being extended to the SPV Group by holding company are Fixed interest and floating interest rate which get reset periodically. The SPV Group manages the interest rate risks by maintaining a debt portfolio of fixed and floating rate borrowings.

44. Income Tax expense

This note provides an analysis of the SPV Group's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to The SPV Group's tax positions.

(a) Income tax expense

(₹ in million)

Particulars	**For the period ended 31.12.2020**	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Current Tax				
Current tax on profits for the year	276.14	851.78	753.96	274.29
Adjustments for current tax of prior periods	(561.20)	-	-	0.11
Total current tax expense (A)	**(285.06)**	**851.78**	**753.96**	**274.40**
Deferred Tax expense				
Origination and reversal of temporary differences	2,390.17	234.21	245.77	(130.49)
Total deferred tax expense /benefit (B)	**2,390.17**	**234.21**	**245.77**	**(130.49)**
Income tax expense (A+B)	**2,105.11**	**1,085.99**	**999.73**	**143.91**

(b) Reconciliation of tax expense and the accounting profit multiplied by India's tax rate:

(₹ in million)

Particulars	**For the period ended 31.12.2020**	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Profit before income tax expense including movement in regulatory	5,476.53	4,874.24	3,480.36	1,285.25
Tax at the SPV Group's domestic tax rate	**1,440.79**	**1,419.38**	**1,002.65**	**370.66**
Tax effect of:				
Non Deductible tax items	-	0.82	5.60	-
Previous Years tax liability	(561.20)	-	-	-
Deferred Tax expense/(income)	2,390.17	234.21	245.77	(130.49)
Minimum alternate tax adjustments	(1,164.65)	(568.42)	(254.29)	(96.26)
Income tax expense	**2,105.11**	**1,085.99**	**999.73**	**143.91**

(c) MAT Credit

As SPV Group have option to avail MAT credit in future against Income Tax payable and hence MAT paid during earlier and in current year are carried forward.

45. Impact of application of Ind AS 115 "Revenue from Contracts with Customers"

The movement in unbilled revenue during the period is as follows -

(₹ in million)

	For the period ended 31.12.2020	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Balance at the beginning	1,259.17	1,303.99	335.54	63.67
Add: Revenue recognised during the period	1,382.87	1,237.33	1,279.97	335.54
Less: Invoiced during the period	1,237.33	1,282.15	311.52	63.67
Less: Impairment/reversal during the period	-	-	-	-
Add: Translation gain/(Loss)	-	-	-	-
Balance at the end	1,404.71	1,259.17	1,303.99	335.54

The movement in contract liability during the period is as follows -

(₹ in million)

	For the period ended 31.12.2020	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Balance at the beginning	Nil	Nil	Nil	Nil
Add: Advance billing during the period	Nil	Nil	Nil	Nil
Less: revenue recognised during the period a) From contract liability as at beginning of the period b) From contract liability recognised during the period	Nil	Nil	Nil	Nil
Add: Translation gain/(Loss)	Nil	Nil	Nil	Nil
Balance at the end	Nil	Nil	Nil	Nil

The entity determines transaction price based on expected value method considering its past experiences of refunds or significant reversals in amount of revenue. In estimating significant financing component, management considers the financing element inbuilt in the transaction price based on imputed rate of return. Reconciliation of revenue recognized vis-a-vis revenue recognized in profit or loss statement is as follows.

(₹ in million)

	For the period ended 31.12.2020	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Contracted price	9,642.59	12,895.97	9,575.74	3,372.37
Add/ (Less)- Discounts/ rebates provided to customer	(45.99)	(70.89)	(91.91)	(30.66)
Add/ (Less)- Performance bonus	326.24	417.79	297.56	93.98
Add/ (Less)- Adjustment for significant financing component	-	-	-	-
Add/ (Less)- Other adjustments	-	-	(9.83)	-
Revenue recognized in profit or loss statement	9,922.84	13,242.87	9,771.56	3,435.69

46. a) Figures have been rounded off to nearest rupee in millions up to two decimal.
b) The previous year figures have been reclassified/re-grouped to confirm to the current year's classification.

47. Disclosures as required by SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016

Leverage / Capitalisation Statement

(₹ in million)

Particulars	Pre Offer as at 31st December, 2020
Total Debt	49,994.84
Unit holders' Funds	
Unit Capital	12,130.40
Reserves	2,750.93
Total unit holder's Fund	**14,881.33**
Debt equity ratio	3.36

Operating Cash Flow from projects (Project wise)

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Net Cash from Operating Activities				
POWERGRID Vizag Transmission Limited	1,965.60	2,773.38	2,336.66	1,123.29
POWERGRID Kala Amb Transmission Limited	534.88	520.09	492.05	114.44
POWERGRID Jabalpur Transmission Limited	1,825.95	2,129.85	(1,664.89)	1,524.46
POWERGRID Warora Transmission Limited	2,393.91	2,629.40	1,660.55	352.12
POWERGRID Parli Transmission Limited	2,285.07	2,468.75	600.60	617.51
Total	9,005.41	10,521.47	3,424.97	3,731.82

Contingent Labilities as on 31st December, 2020

Contingent Liabilities

Claims against the SPV Group not acknowledged as debts in respect of:

(i) Land compensation cases

In respect of land acquired for the projects, the land losers have claimed higher compensation before various authorities/courts which are yet to be settled. In such cases, contingent liability of ₹ 0.01 millions as on 31.12.2020 (31.03.2020: ₹0.01 millions, 31.03.2019: ₹0.01 millions and 31.03.2018: ₹Nil) has been estimated.

(ii) Other claims

In respect of claims made by various State/Central Government Departments/Authorities towards building permission fees, penalty on diversion of agriculture land to non-agriculture use, Nala tax, water royalty etc. and by others, contingent liability of ₹ 5.89 millions as on 31.12.2020 (31.03.2020: ₹5.89 millions, 31.03.2019: ₹5.89 millions and 31.03.2018: ₹5.89 millions) has been estimated.

(iii) Disputed Income Tax/Sales Tax/Excise/Municipal Tax/Entry Tax Matters

Disputed Entry Tax Matters amounting to ₹100.30 millions as on 31.12.2020 (31.03.2020: ₹ 96.28 millions, 31.03.2019: ₹ 96.28 millions and 31.03.2018: ₹ 96.28 millions) contested before the Appellant Deputy Commissioner.

In this regard, the ADC vide order dt.26.07.2018 in ADC Order No.777 had granted a conditional stay upon the SPV Group depositing 35% of the disputed tax, i.e., ₹ 33.70 millions. Pursuant to the disposal of the stay order, till date, there is no communication from the ADC's office regarding the hearing on the appeal in the main case. As on date, the SPV Group has a stay on payment of the balance disputed tax of 65%, and the hearing on the main appeal is pending before authorities. The SPV Group is confident that this matter will be disposed off in favour of the SPV Group.

(iv) Others

Other contingent liabilities amounts to ₹ 114.37 millions as on 31.12.2020 (31.03.2020: ₹2,232.24 millions, 31.03.2019: ₹ 768 millions and 31.03.2018: ₹Nil) out of which ₹ 53.51 millions (31.03.2020: ₹ 8.21 millions, 31.03.2019: ₹ 768 millions and 31.03.2018: ₹Nil) related to Arbitration cases/RoW cases.

(v) Power Grid Corporation of India Ltd. (Sponsor) has given guarantee for the dues & punctual payment and discharge of the obligations amounting to ₹ Nil as on 31.12.2020 (31.03.2020: ₹ 2,900 millions, 31.03.2019: ₹ 2,900 millions and 31.03.2018: ₹ 2,900 millions) against bond issued by SPV group. SPV group has redeemed the said bonds along with interest on 10.06.2020 and above guarantee is yet to be released by IDBI trustees.

Statement of InvIT Commitment as on 31st December, 2020

(₹ in million)

Particulars	As at 31st December, 2020
Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	200.89

Debt payment history

(₹ in million)

Particulars	For the period ended 31st December, 2020	For the year ended 31st March, 2020	For the year ended 31st March, 2019	For the year ended 31st March, 2018
Carrying amount of debt at the beginning of the year*	51,768.18	55,768.63	53,467.31	25,398.13
Additional borrowings during the year/period	3,342.80	124.00	4,741.93	28,473.32
Repayments during the year	(5,116.14)	(4,124.45)	(2,440.61)	(404.14)
Carrying amount of debt at the end of the year	49,994.84	51,768.18*	55,768.63*	53,467.31*
Interest Payments (cash outflow)	3,118.73	4,442.47	4,008.35	737.16

*Includes ₹ 2,900 million Bonds repaid in June 2020 and balance is Inter Corporate Loan provided by the Power Grid Corporation of India Limited.

Statement of Net Assets at Fair Value as at 31st December, 2020

(₹ in million)

Particulars	Book value	Fair value
A. Assets	68,184.99	1,07,697.16
B. Liabilities (at book value)	53,303.66	53,303.66
C. Net Assets (A-B)	14,881.33	54,393.50

Note:

The number of units that POWERGRID InvIT Trust will issue to investors in the proposed Initial Public Issue and to Power Grid Corporation Of India Ltd in exchange of the shareholdings in the Project SPVs and against the loan from Power Grid Corporation Of India Ltd is not presently ascertainable. Hence the disclosures in respect of Net Asset Value (NAV) per Unit have not been given.

Project wise break up of Fair value of Assets as at 31st December, 2020:

(₹ in million)

Particulars	As on 31st December, 2020
POWERGRID Vizag Transmission Limited	23,385.27
POWERGRID Kala Amb Transmission Limited	4,805.08
POWERGRID Parli Transmission Limited	27,100.35
POWERGRID Warora Transmission Limited	30,311.00
POWERGRID Jabalpur Transmission Limited	22,095.46

Project wise break up of fair value of total assets (after adjustment of cash and cash equivalents and other liabilities) as at December 31, 2020 as disclosed above are based on the fair valuation report of the independent valuer appointed under the InvIT Regulations.

Statement of Total Return at Fair Value as at 31st December, 2020

(₹ in million)

Particulars	Period ended 31st December, 2020	Year ended 31st March, 2020
Total Comprehensive Income (As per the Statement of Profit and Loss)	3,371.42	3,788.25
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 (refer note below)	2,245.20	6,879.70
Total Return	**5,616.62**	**10,667.95**

Note: In the above statement, Other changes in fair value for the period ended December 31, 2020 and year ended March 31, 2020 has been computed based on the fair values of total assets as at December 31, 2020 and as at March 31, 2020, respectively. The fair values of total assets as at December 31, 2020 and March 31, 2020 are based solely on the valuation report of the independent valuer appointed under the InvIT Regulations.

Related party Transactions

(a) Holding Company and Sponsor

Name of entity	**Place of business/country of incorporation**
Power Grid Corporation of India Limited	India

(b) Subsidiaries of Sponsor

Name of entity	**Place of business/country of incorporation**
POWERGRID Vizag Transmission Limited	India
POWERGRID NM Transmission Limited	India
POWERGRID Unchahar Transmission Limited	India
POWERGRID Kala Amb Transmission Limited	India
POWERGRID Jabalpur Transmission Limited	India
POWERGRID Warora Transmission Limited	India
POWERGRID Parli Transmission Limited	India
POWERGRID Southern Interconnector Transmission System Limited	India
POWERGRID Vemagiri Transmission Limited	India
POWERGRID Medinipur Jeerat Transmission Limited	India
POWERGRID Mithilanchal Transmission Limited (erstwhile ERSS XXI Transmission Limited)	India
POWERGRID Varanasi Transmission System Limited (erstwhile WR-NR Power Transmission Limited)	India
POWERGRID Jawaharpur Firozabad Transmission Limited (erstwhile Jawaharpur Firozabad Transmission Limited)	India
POWERGRID Khetri Transmission System Limited (Erstwhile Khetri Transco Limited)	India
POWERGRID Bhuj Transmission Limited (Erstwhile Bhuj-II Transmission Limited)	India

Name of entity	Place of business/country of incorporation
POWERGRID Bhind Guna Transmission Limited (Erstwhile Bhind Guna Transmission Limited)	India
POWERGRID Ajmer Phagi Transmission Limited (Erstwhile Ajmer Phagi Transco Limited)	India
POWERGRID Fatehgarh Transmission Limited (Erstwhile Fatehgarh-II Transco Limited)	India
POWERGRID Rampur Sambhal Transmission Limited (Erstwhile Rampur Sambhal Transco Limited)	India
POWERGRID Meerut Simbhavali Transmission Limited (Erstwhile Meerut-Simbhavali Transmission Limited)	India
Central Transmission Utility of India Limited[1]	India

[1] Incorporated as wholly owned subsidiary of Sponser on 28th December, 2020.

(c) Joint Ventures of Sponsor

Name of entity	Place of business/country of incorporation
Powerlinks Transmission Limited	India
Torrent Power Grid Limited	India
Jaypee Powergrid Limited	India
Parbati Koldam Transmission Company Limited	India
Teestavalley Power Transmission Limited	India
North East Transmission Company Limited	India
National High Power Test Laboratory Private Limited	India
Bihar Grid Company Limited	India
Kalinga Bidyut Prasaran Nigam Private Limited#	India
Cross Border Power Transmission Company Limited	India
RINL Powergrid TLT Private Limited##	India
Power Transmission Company Nepal Limited	Nepal

#The present status of Kalinga Bidyut Prasaran Nigam Private Limited as per MCA website is "Strike Off".

POWERGRID's Board of Directors in its meeting held on 1st May 2018 accorded in principle approval to close RINL Powergrid TLT Private Limited (RPTPL) and seek consent of other JV Partner Rashtriya Ispat Nigam Limited (RINL). RINL's Board of Directors in its meeting held on 01st March, 2019 has agreed in principle for winding up proceedings of RPTPL & to seek the approval from Ministry of Steel, Government of India, for closure of RPTPL. RINL's Board of Directors in its meeting held on 05th November, 2019 has advised to put up the closure proposal again to Ministry of steel for onward submission to NITI Ayog. The Approval from Government is awaited.

(d) Key Management Personnel

SPV	Name	Designation
POWERGRID Vizag Transmission Limited	Ms. Seema Gupta	Chairperson
	Ms. V Susheela Devi	Director
	Sh. D C Joshi	Director [ceased to be Director w.e.f. 31.07.2020]
	Sh. B Anantha Sarma	Director w.e.f. 21.05.2020
	Sh. Upendra Pande	Director w.e.f. 11.12.2020
	Sh. Anil Jain	Director [ceased to be Director w.e.f. 30.04.2020]
	Sh. Anoop Kumar	Additional Director w.e.f. 05.03.2020
	Sh. D Sudarshan	Chief Financial Officer [ceased to be CFO w.e.f. 03.09.2020]
	Sh. K Raja	Chief Financial Officer w.e.f. 04.09.2020
	Sh. Arup Kumar Samanta	Company secretary

SPV	Name	Designation
POWERGRID Kala Amb Transmission Limited	Sh.D. C. Joshi	Chairperson [ceased to be chairperson w.e.f. 31.07.2020]
	Sh.Abhay Choudhary	Chairperson
	Smt. V. Susheela Devi	Director
	Sh.Rakesh Kumar	Director
	Sh. Atul Trivedi	Director
	Sh.S . K. Rai	Chief Financial Officer
POWERGRID Jabalpur Transmission Limited	Smt. Seema Gupta	Chairperson
	Sh.Abhay Choudhary	Director [ceased to be Director w.e.f. 08.12.2020]
	Smt. Susheela Devi	Director
	Sh.S.D. Joshi	Director
	Sh. Upendra Pande	Additional Director w.e.f. 17.12.2020
	Sh.Ajaya Kumar Satapathy	Chief Financial Officer
POWERGRID Warora Transmission Limited	Smt. Seema Gupta	Chairperson
	M. Taj Mukarrum	Director [ceased to be Director w.e.f. 28.07.2020]
	Sh.D.C.Joshi	Director [ceased to be Director w.e.f. 31.07.2020]
	Sh. Naga Raju Aqza	Additional Director
	Sh.S.D. Joshi	Director
	Sh. Purshottam Agarwal	Director w.e.f. 30.07.2020
	Sh. Anantha Sarma Bopuddi	Additional Director w.e.f. 30.11.2020
	Sh.G. Ravikumar	Chief Financial Officer
	Ms. Anjana Luthra	Company Secretary [ceased to be company secretary w.e.f. 05.11.2020]
POWERGRID Parli Transmission Limited	Smt. Seema Gupta	Chairperson
	M. Taj Mukarrum	Director [ceased to be Director w.e.f. 28.07.2020]
	Sh. Abhay Choudhary	Director [ceased to be Director w.e.f. 08.12.2020]
	Sh. N.K.Ohdar	Additional Director [ceased to be Director we.f. 31.07.2020]
	Sh. Purshottam Agarwal	Director w.e.f. 30.07.2020
	Sh. Anantha Sarma Bopuddi	Additional Director w.e.f. 26.11.2020
	Sh. Arunasis Basu	Chief Financial Officer
	Ms. Shikha Gupta	Company Secretary [ceased to be company secretary w.e.f. 01.12.2020]

(e) Transactions with related parties

The following transactions occurred with related parties:

(₹ in million)

Particulars	**For the period ended 31.12.2020**	**For the year ended 31.03.2020**	**For the year ended 31.03.2019**	**For the year ended 31.03.2018**
Services received by the SPV Group				
Consultancy Charges				
Sponsor:				
Power Grid Corporation of India limited	217.55	415.19	596.01	1,288.31
Total	**217.55**	**415.19**	**596.01**	**1,288.31**
Interest on Loan				
Sponsor:				
Power Grid Corporation of India limited	2,860.17	4,031.15	4,196.32	2,852.29
Total	**2,860.17**	**4,031.15**	**4,196.32**	**2,852.29**

Particulars	For the period ended 31.12.2020	For the year ended 31.03.2020	For the year ended 31.03.2019	For the year ended 31.03.2018
Investments received during the year (Equity)				
Sponsor:				
Power Grid Corporation of India limited	123.60	2,020.00	5,564.00	2,061.50
Total	**123.60**	**2,020.00**	**5,564.00**	**2,061.50**

(f) Outstanding balances arising from sales/purchases of goods and services

The following balances are outstanding at the end of the reporting period in relation to transactions with related parties:

(₹ in million)

Particulars	As at 31.12.2020	As at 31.03.2020	As at 31.03.2019	As at 31.03.2018
Amount Payables				
Loans from Sponsor				
Power Grid Corporation of India limited	49,994.84	48,868.18	52,868.63	50,567.31
Total	**49,994.84**	**48,868.18**	**52,868.63**	**50,567.31**
Interest Accrued on loan from Sponsor				
Power Grid Corporation of India limited	-	-	152.58	915.59
Total	**-**	**-**	**152.58**	**915.59**
Other Payables				
Power Grid Corporation of India limited	161.89	49.55	102.34	433.12
Total	**161.89**	**49.55**	**102.34**	**433.12**

As per our report of even date
For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal)
Partner
Membership No.: 099387

Place: Gurgaon
Date: 8th March, 2021

For and on behalf of the Board of Directors of POWERGRID Unchahar Transmission Limited (as Investment Manager of POWERGRID Infrastructure Investment Trust)

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

PROJECTIONS OF REVENUE FROM OPERATIONS AND CASH FLOW FROM OPERATING ACTIVITIES

(*The remainder of this page is intentionally left blank*)

S. K. MITTAL & CO.
CHARTERED ACCOUNTANTS

MITTAL HOUSE, E-29, SOUTH EXTENSION PART - II
NEW DELHI - 110049
Tel: 26258517, 41640694 Fax: 26255204
Email :skmittalca@yahoo.co.in, skmittalco@yahoo.com

Report of auditors on projections of revenue from operations and cash flow from operating activities and underlying assumptions

To
The Board of Directors
IDBI Trusteeship Services Limited
(As the Trustee of POWERGRID Infrastructure Investment Trust)
Asian Building, Ground Floor, 17,
R. Kamani Marg, Ballard Estate,
Mumbai - 400 001

To
The Board of Directors
POWERGRID Unchahar Transmission Limited
(As the Investment Manager of the POWERGRID Infrastructure Investment Trust)
Upper Basement, Plot No-2, Sector-29,
Gurgaon -122 001

We have examined the accompanying statement of projections of revenue from operations and cash flow from operating activities and the underlying assumptions of the InvIT Group consisting of POWERGRID Infrastructure Investment Trust (the "Trust"), POWERGRID Vizag Transmission Limited ("PVTL"), POWERGRID Kala Amb Transmission Limited ("PKATL"), POWERGRID Parli Transmission Limited ("PPTL"), POWERGRID Warora Transmission Limited ("PWTL") and POWERGRID Jabalpur Transmission Limited ("PJTL") (PVTL, PKATL, PPTL, PWTL and PJTL are individually referred to as "Project SPVs"), for the years ending March 31, 2022, March 31, 2023 and March 31, 2024 along with the basis of preparation and other explanatory information and the significant assumptions (Statement of projections of revenue from operations and cash flow from operating activities along with the related assumptions for the InvIT Group and each of the Project SPVs are hereinafter referred to as the "Projection Information"), annexed to this report for the purpose of inclusion in the Offer Document and Final Offer Document, prepared by POWERGRID Unchahar Transmission Limited (the "Investment Manager") in connection with the proposed initial public offering of units of the Trust (the "Offering"). PVTL, PKATL, PPTL, PWTL and PJTL are subsidiaries of Power Grid Corporation of India Limited (the "Sponsor") and are proposed to be transferred from the Sponsor to the Trust.

The preparation and presentation of the Projection Information, including the underlying assumptions, in accordance with the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 issued by the Securities and Exchange Board of India ("SEBI") on September 26, 2014, as amended from time to time and any circulars issued thereunder (the "InvIT Regulations"), is the responsibility of the Investment Manager.

The Projection Information has been prepared by the Investment Manager for inclusion in the Offer Document and Final Offer Document using a set of assumptions that include hypothetical assumptions about future events and management's actions that are not necessarily expected to occur, as set out in Note III to the Projection Information and has been approved by the Board of Directors of the Investment Manager. Consequently, users are cautioned that the Projection Information may not be appropriate for purposes other than that described above.

We have examined the Projection Information taking into consideration:

(a) the terms of our engagement agreed with you vide our engagement letter dated January 29, 2020 requesting us to carry out work on the Projection Information, proposed to be included in the Offering; and

(b) Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India.

We have examined the evidence supporting the assumptions and other information in the Projection Information on test basis. Our responsibility is to examine the evidence supporting the assumptions (excluding the hypothetical assumptions) and other information in the Projection Information. Our responsibility does not include verification of the accuracy of the projections. Therefore, we do not vouch for the accuracy of the Projection Information.

Based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Projection Information. Further, in our opinion, the Projection Information, read with the Basis of Preparation and notes therein, is properly prepared on the basis of the assumptions as set out in Note III to the Projection Information and is consistent with the accounting policies used for preparation of the historical Combined Financial Statements as required by the InvIT Regulations and included in the Offer Document and Final Offer Document, which are prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 and prescribed under Section 133 of the Companies Act, 2013.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the Projection Information since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For the reasons set out above, we do not express any opinion as to the possibility of achievement of the Projection Information.

This report is issued in accordance with the requirement under the InvIT Regulations for the independent auditor to issue a report on the Projection Information and is issued for the sole purpose of the Offering in accordance with the InvIT Regulations. Our work has not been carried out in accordance with auditing or other standards and practices generally accepted in jurisdictions outside India, including in the United States of America, and accordingly should not be relied upon as if it had been carried out in accordance with those standards and practices. US securities regulations do not require profit forecasts to be reported on by a third party. This report should not be relied upon by prospective investors in the United States of America, including persons who are Qualified Institutional Buyers as defined under Rule 144A under the United States Securities Act of 1933 participating in the Offering. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make a claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections afforded by United States of America law and regulation.

We have no responsibility to update our report for events and circumstances occurring after the date of the report.

This report is intended solely for your information and for inclusion in the Offer Document and Final Offer Document and is not to be used, referred to or distributed for any other purpose.

For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

(CA Gaurav Mittal**)**
Partner
Membership No.: 099387
UDIN: 21099387AAAABK8008

Place: Gurgaon
Date: 8th March, 2021

POWERGRID Infrastructure Investment Trust
Statement of projections of revenue from operations and cash flow from operating activities

(INR in Millions)

S. No.	Particulars	Years ending March 31,		
		2022	**2023**	**2024**
A.	**POWERGRID Infrastructure Investment Trust (combined)**			
	Revenue from operations	13,137.86	12,587.71	12,344.21
	Cash flow from operating activities	12,085.81	11,684.89	11,373.88
B.	**POWERGRID Vizag Transmission Limited (“PVTL”)**			
	Revenue from operations	2,956.49	2,426.23	2,201.71
	Cash flow from operating activities	2,607.02	2,259.63	2,011.40
C.	**POWERGRID Kala Amb Transmission Limited (“PKATL”)**			
	Revenue from operations	730.48	710.59	691.61
	Cash flow from operating activities	650.46	614.70	565.46
D.	**POWERGRID Parli Transmission Limited (“PPTL”)**			
	Revenue from operations	3,284.87	3,284.87	3,284.87
	Cash flow from operating activities	3,084.99	3,081.14	3,077.87
E.	**POWERGRID Warora Transmission Limited (“PWTL”)**			
	Revenue from operations	3,643.92	3,643.92	3,643.92
	Cash flow from operating activities	3,435.27	3,431.70	3,429.09
F.	**POWERGRID Jabalpur Transmission Limited (“PJTL”)**			
	Revenue from operations	2,522.10	2,522.10	2,522.10
	Cash flow from operating activities	2,424.42	2,421.29	2,421.32

The accompanying notes form an integral part of the above Statement

I. General information

POWERGRID Infrastructure Investment Trust (the "Trust") was set up as a contributory irrevocable infrastructure investment trust under the provisions of the Indian Trusts Act, 1882 via " Trust Deed" dated September 14, 2020 between the Power Grid Corporation of India Limited (the "Sponsor") as the settlor and sponsor of the Trust and IDBI Trusteeship Services Limited ("Trustee"). The Trust was registered under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended including any circulars and guidelines issued thereunder ("**SEBI InvIT Regulations**") on January 07, 2021 having registration number IN/InvIT/20-21/0016. The Investment manager for the Trust is POWERGRID Unchahar Transmission Limited (the "Investment Manager" or the "Management"). The Trust along with POWERGRID Vizag Transmission Limited ("PVTL"), POWERGRID Kala Amb Transmission Limited ("PKATL"), POWERGRID Parli Transmission Limited ("PPTL"), POWERGRID Warora Transmission Limited ("PWTL") and POWERGRID Jabalpur Transmission Limited ("PJTL") together are referred to as the "InvIT Group". PVTL, PKATL, PPTL, PWTL and PJTL, hereinafter referred to as "Project SPVs", are subsidiaries of the Sponsor and are proposed to be transferred from the Sponsor to the Trust. Power Grid Corporation of India Limited will also act as Project Manager for the Project SPVs.

II. Basis of preparation of projections of revenue from operations and cash flow from operating activities

The projections of revenue from operations and cash flow from operating activities of the InvIT Group and of PVTL, PKATL, PPTL, PWTL and PJTL ("Projections") for the years ending March 31, 2022, March 31, 2023 and March 31, 2024 ("Projection period") have been prepared by the Investment Manager solely for inclusion in the Offer Document and Final Offer Document in connection with the proposed Initial Public Offering of Units of the Trust in accordance with the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 issued by the Securities and Exchange Board of India ("SEBI") on September 26, 2014, as amended from time to time and any circulars issued thereunder (the "InvIT Regulations"). Therefore, the use of the Projections may not be appropriate and should not be used or relied upon for any purpose other than that described above.

The Projections are prepared based on the accounting policies used for preparation of the historical Combined Financial Statements as required by the InvIT Regulations, which are prepared in accordance with Indian Accounting Standards ("Ind-AS") as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013.

The respective components of the Projections have been prepared keeping the applicable IndAS provisions in view. They do not provide for all the detailed disclosures as required under Ind-AS.

Cash flow from Operating activities for the InvIT Group and the Project SPVs have been calculated using the direct method under Ind-AS 7 - Statement of Cash Flows and is computed by deducting the operating expenses and income taxes from revenue from operations and adjusted for working capital changes and non-cash expenses (if any). Cash flow from operating activities do not include any items pertaining to financing or investing nature.

The Projections have been prepared and disclosed in INR million, unless otherwise specifically mentioned.

The Projections contain forecasts and projections that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from the Projections. Investors should therefore be aware that future events cannot be predicted with any certainty and there may be deviations from the figures projected in the Projections.

III. Significant assumptions

The Projections have been prepared based on the significant assumptions summarized below. These are Investment Manager's best estimate assumptions and hypothetical assumptions (about future events and actions) and have been prepared by the Investment Manager solely for inclusion in the Offer Document and Final Offer Document in connection with the proposed Initial Public Offerings of Units of the Trust in accordance with the requirements of the InvIT Regulations. The Investment Manager considers the assumptions to be appropriate and reasonable as at the date of the report. However, the investors should consider these assumptions as well as the Projections and make their own assessment of the future performance of the Trust.

1. Revenue from Operations:

Revenue from operations of the InvIT Group and of each of the Project SPVs consists of tariff income. Revenue projections do not include any other income (operating or otherwise).

Key variables for projections of revenue are non-escalable tariff, escalable component of tariff, the annual escalation rate, annual availability, incentives, penalties, rebates and surcharges. Each of these variables are explained below:

i. Non-Escalable tariff:

The non-escalable tariff for PVTL, PKATL, PPTL, PWTL and PJTL has been considered based on tariff adopted by the Central Electricity Regulatory Commission (CERC) for the respective projects.

Non-Escalable tariff considered for the Projections is as follows:

(INR in Millions)

Project SPVs	Year ending March 31, 2022	Year ending March 31, 2023	Year ending March 31, 2024
PVTL	2,810.85	2,296.53	2,077.52
PKATL	705.78	686.56	668.22
PPTL	3,173.79	3,173.79	3,173.79
PWTL	3,520.70	3,520.70	3,520.70
PJTL	2,436.81	2,436.81	2,436.81

The revenue projections as above cover only a period of 3 years. For non-escalable tariff revenues for periods beyond FY 2023-24, CERC Tariff Orders for PVTL, PKATL, PPTL, PWTL and PJTL should be referred.

ii. Escalable component of tariff and the annual escalation rate:

The escalable tariff for PKATL, PPTL, PWTL and PJTL is "Nil". The base escalable tariff for PVTL has been considered amounting to ₹ 37 million based on the tariff adopted by CERC. The actual annual escalation rates published by CERC have been used to adjust the base escalable tariff from the date of COD date till December 31, 2020 and post that an annual escalation rate of 4.32% has been considered for calculation of the escalable component of tariff which is the average annual inflation rate based on the inflation rates published by CERC for the period from April 1, 2015 to December 31, 2020 .

Escalable component of tariff of PVTL considered for the Projections is as follows:

Project SPVs	PVTL (INR million)
Year ending March 31, 2022	45.66
Year ending March 31, 2023	47.65
Year ending March 31, 2024	49.73

iii. Annual Availability:

The Annual availability for PVTL, PKATL, PPTL, PWTL and PJTL projects has been considered as 99.75%. This is based on the historical average annual availability figures for these projects since the dates of commencement of their commercial operations and based on average annual availability figures of past 5 years for Power Grid Corporation of India Limited ("POWERGRID") which owns a significant proportion of the transmission projects in India (as published in its Annual Report for FY 2019-20).

iv. Incentives, penalties, rebates and surcharge:

As per the terms of the respective Transmission Services Agreements (TSAs), PVTL, PKATL, PPTL, PWTL and PJTL are eligible for incentive payments in case the annual availability is more than 98%. Incentive percentage is calculated as (Actual Availability % minus 98%) multiplied by 2. The incentive percentage is required to be applied to total revenue (non-escalable and escalable) to arrive at the amount of incentive. For the Projections, incentives have been computed considering availability of 99.75% for PVTL, PKATL, PPTL, PWTL and PJTL over the Projection Period. Alternatively, if the availability is less than 95%, penalties are levied.

Further, the due date for payment of tariff charges by the customer is 45 days from the date of servicing the bill. Rebate of 1.50% is allowed for payment of bills within a period of 5 days of presentation of bills while rebate of 1% is allowed where payments are made on any day after 5 days and within a period of 30 days of presentation of bills. In case the payment is delayed beyond the due date, a late payment surcharge at the rate of 1.50% per month is payable by the customer. For the Projections, "Nil" rebate and surcharge has been considered for PVTL, PKATL, PPTL, PWTL and PJTL.

2. Operating Expenses (in Project SPVs)

The operating expenses include routine/periodic maintenance, insurance, other operating expenses and Project Manager fees. Those costs are projected based on the base year expenses for the Project SPVs and projected annual increase based on inflation rates and/or based on agreements with the service providers.

Based on the above, the total operating expenses considered in the Projections are as follows:

(INR in Millions)

Project SPVs	Year ending March 31, 2022	Year ending March 31, 2023	Year ending March 31, 2024
PVTL	95.63	97.31	99.41
PKATL	78.71	81.39	84.18
PPTL	181.46	186.23	191.20
PWTL	191.73	196.51	201.49
PJTL	90.15	91.99	93.93

Operating expenses comprise the following:

i. Operation and Maintenance (O&M) expenses:

O&M expenses considered in the Projections are based on management estimates and the respective O&M agreements dated January 23, 2021 signed between the respective SPVs and POWERGRID.

ii. Insurance:

Insurance expenses considered in the Projections are based on premiums as per the insurance policy. The Investment Manager estimates insurance premium to remain constant for the entire life of assets. However, if there are failures/damages to the transmission infrastructure for which claims are made, the insurance premiums may change significantly. This cannot be estimated due to the short operational performance history of the transmission projects.

iii. Other operating expenses:

These mainly include legal/regulatory charges and professional fees. These expenses have been considered in the Projections based on the management's expectations.

iv. Project Manager Fees:

The Project Manager Fees is considered based on the Project Implementation and Management Agreement ("PIMA") dated January 23, 2021 signed between the Trustee, Investment Manager, Project Manager and respective SPVs. The annual Fees payable to the Project Manager in respect of the Services is considered to be 15% (fifteen per cent) of the aggregate annual fees payable under the O&M Agreements. The fee will be payable on quarterly basis in advance. The Project Manager fees is assumed to be paid out of the cash flows of the Project SPVs for the purpose of the Projections. The Project manager fee (including taxes) considered is as follows:

(INR in Millions)

Project SPVs	Year ending March 31, 2022	Year ending March 31, 2023	Year ending March 31, 2024
PVTL	5.46	5.65	5.85
PKATL	6.88	7.12	7.38
PPTL	13.33	13.80	14.28
PWTL	13.33	13.80	14.28
PJTL	4.48	4.63	4.79

3. Operating Expenses (at the Trust level)

Operating expenses at the Trust level comprise of the following:

i. Trustee Fee

The Trustee fee of Rs. 0.30 million plus applicable goods and service tax (at present 18%) per annum has been considered for the financial years ending March 31, 2022, 2023 and 2024 as per the contract agreement between "The Sponser" and "The Trustee".

ii. Investment Manager Fee

Investment manager fee has been considered based on the Investment Management Agreement ("IMA") dated December 18, 2020 executed between the Trustee and Investment manager. The Investment manager fee is ₹ 72.50 million with and annual escalation of 6.75% per annum plus applicable goods and service tax (at present 18%). The fee will be payable on quarterly basis in advance. The Investment Manager fees is assumed to be paid out of the cash flows of the Trust from Project SPVs for the purpose of the Projections. The Investment manager fee including GST @ 18% of ₹ 91.32 million, ₹ 97.49 million and ₹ 104.07 million has been considered for the financial years ending March 31, 2022, 2023 and 2024 respectively.

iii. Other expenses

Other expenses for the Trust include audit fees, valuer's fees, legal/professional fees and other miscellaneous expenses and are primarily estimated based on the quotes (to the extent available) and Project SPV Management's experience and best judgment of Investment Manager. Other expense of ₹. 24.67 million, ₹. 25.73 million and ₹. 26.84 million have been considered for the financial years ending March 31, 2022, 2023 and 2024 respectively.

4. Income Taxes

For Project SPVs:

Income taxes for Project SPVs have been computed at income tax rates applicable to the Project SPVs for FY 2020- 21 which are expected to apply for the Projection Period. For the computation of income tax for Project SPVs, following assumptions have been considered by the Management:

a) Assumptions in respect of finance costs in Project SPVs:

On loan from the Trust to Project SPVs: Loan from the Trust to PVTL, PKATL, PPTL, PWTL and PJTL has been assumed at ₹ 7,839.88 million, ₹ 1,860.00 million, ₹ 13,005.00 million, ₹ 15,460.00 million and ₹ 11,829.96 million respectively as on December 31, 2020. The rate of interest on these loans from the Trust has been assumed at 14.50% p.a. payable quarterly. This transaction will be eliminated and not have any effect on the combined cash flow from operating activities of the InvIT Group.

The above assumptions in 4(a) are hypothetical assumptions and may change due to changes in capital structure, interest rate, type of instruments used, etc.

b) Assumptions in respect of depreciation in Project SPVs:

Depreciation for income tax purpose has been considered at the applicable rates of depreciation under the Income Tax Act for FY 2019-20 which are expected to apply for the Projection Period.

For the Trust

The Trust will receive interest and dividend income from Project SPVs which is considered exempt in accordance with section 10(23FC) of the Income Tax Act, 1961, subject to fulfilment of prescribed condition. No income other than the above has been assumed in the Trust. Hence no income tax expense/cash flow is assumed for the Trust over the Projection Period. This transaction of receipt of interest income will be eliminated and not have any effect on the combined cash flow from operating activities of the InvIT Group.

5. Changes in Working Capital

For Project SPVs:

For the computation of changes in working capital, the receivables period is assumed at 45 days of tariff revenues based on the historic data and Management estimates. Further, Unbilled revenue has been assumed as 31 days of tariff revenues based on the historic data and Management estimates.

For InvIT Group:

Changes in working capital for the InvIT Group over the Projection Period have been considered as the summation of the working capital changes in the Project SPVs during the Projection Period.

6. Other Assumptions

The Investment Manager has made the following additional assumptions in preparing the Projections:

i. The initial portfolio of Project SPVs is assumed to remain unchanged throughout the Projection period; Further the Projections have been prepared assuming the proposed InvIT structure from April 1, 2021. The actual structure shall come into existence after the Initial Public Offering of Units of the Trust which may be before April 1, 2021;

ii. No further assets are assumed to be acquired during the Projection period;

iii. No further capital is assumed to be raised during the Projection period;

iv. It is assumed that there will be no material change in taxation legislations or other applicable legislations during the Projection period.

v. The respective components of the Projections have been prepared using Ind AS standards and interpretations that are effective for the Ind AS financial statements for the year ended March 31, 2020. The Projections do not take into account the impact of any new Ind AS standard or interpretation not effective as at March 31, 2020. Ind AS standards or interpretations issued but not effective or not issued as at March 31, 2020 which may become effective during the Projections period may have an impact on the Projections and to that extent the actual figures may vary from the Projections;

vi. No gain/loss has been considered on account of changes in foreign exchange rates and derivative instruments;

vii. The Projections are based on assumptions and are subject to a number of factors. Investors should be aware that future events cannot be predicted with any certainty and there may be deviations from the figures projected in the Projections.

viii. The Trust will be initially holding 74% paid up equity capital in PVTL, PKATL, PPTL, PWTL & PJTL. The Trust plans to enter into irrevocable binding agreement with the Sponsor to acquire remaining paid up equity capital in PVTL, PKATL, PPTL, PWTL & PJTL in terms of the respective transmission service agreements.

SPV	**Date of Commercial Operations (COD)**	**Expiry of equity-lock in conditions with respect to 26% of the issued and paid-up equity share capital of the SPV (Five years after COD)**
PVTL	01-Feb-17	01-Feb-22
PKATL	12-Jul-17	12-Jul-22
PPTL	04-Jun-18	04-Jun-23
PWTL	10-Jul-18	10-Jul-23
PJTL	01-Jan-19	01-Jan-24

Hence financial projections have been prepared assuming 100% equity ownership in PVTL, PKATL, PPTL, PWTL & PJTL.

ix. PPTL, PWTL and PJTL have filed claims for tariff increase due to force majeure/change in law, which are pending approval from CERC. No additional revenue has been considered in the Projections in respect of tariff increase on account of force majeure/change in law that PPTL, PWTL and PJTL may receive in future post approval of CERC.

For S. K. Mittal & Co.
Chartered Accountants
FRN: 001135N

For and on behalf of POWERGRID Unchahar Transmission Limited (as Investment Manager of POWERGRID Infrastructure Investment Trust)

(CA Gaurav Mittal**)**
Partner
Membership No.: 099387
UDIN: 21099387AAAABK8008

Ashok Kumar Singhal
Director
DIN- 08578420

Amit Garg
Chief Financial Officer

Place: Gurgaon
Date: 8th March, 2021

CAPITALISATION STATEMENT

The tables below present the: (a) the capital structure of the Trust (including any borrowing or deferred payments) on a standalone basis as of December 31, 2020; and (b) the capital structure of the Trust (including any borrowing or deferred payment) on a consolidated basis as of December 31, 2020, as adjusted taking into account the formation transactions as described in the section entitled "Formation transactions in relation to the Trust" on page 22 and the utilisation of the Offer Proceeds, as described in the section entitled "Use of Proceeds" on page 164. For additional details, please see the sections entitled "Use of Proceeds" and "Combined Financial Statements", on pages 164 and 287, respectively.

Capital structure of the Trust (on a standalone basis):

(*₹ million, except ratios*)

Particulars	Pre-Offer as at December 31, 2020	As Adjusted for the Offer
Unitholders' Funds		
Equity Share Capital / Unit Capital	NIL	90,999.92
Reserves and Surplus	NIL	Nil
Total Unitholders' Funds (A)	**NIL**	**90,999.92**
Debt		
Long Term Borrowings	NIL	Nil
Short Term Borrowings	NIL	Nil
Other Borrowings (Current maturity of long term borrowings)	NIL	Nil
Total Debt (B)	**NIL**	**Nil**
Total Capitalization (A+B)	**NIL**	**90,999.92**
Long-term debt/equity ratio	**NIL**	**Nil**
Total debt/equity ratio	**NIL**	**Nil**

Capital structure of the Trust (on a consolidated basis):

(*₹ million, except ratios*)

Particulars	Pre-Offer as at December 31, 2020	As Adjusted for the Offer
Total Debt	49,994.84	0.01
Unit holders' Funds		
Unit Capital	-	90,999.92
Equity Share Capital	12,130.40	Nil
Reserves	2,750.93	Nil
Total unit holder's Fund	14,881.33	90,999.92
Debt equity ratio	3.36	0.00*

* *Negligible*

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material have been entered into in due course. 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 all Working Days from the date of the Offer Document until the date of listing of the Units pursuant to this Offer. Any of the contracts or documents mentioned in this Final Offer Document may be amended or modified at any time if so required in the interest of the Trust or if required by the other parties, without reference to the Unitholders, subject to compliance with applicable law.

1. Trust deed entered into between the Sponsor and the Trustee dated September 14, 2020.

2. SEBI registration certificate for the Trust bearing number IN/InvIT/20-21/0016 dated January 7, 2021 as an infrastructure investment trust.

3. Investment management agreement dated December 18, 2020, entered into between the Trustee (on behalf of the Trust), Investment Manager and the Initial Portfolio Assets.

4. Project implementation and management agreement dated January 23, 2021, entered into between the Trustee (on behalf of the Trust) and the Investment Manager, the Project Manager and the Initial Portfolio Assets.

5. Share purchase agreement dated April 22, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and PVTL, in respect of the equity shares of PVTL.

6. Share purchase agreement dated April 22, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and PKATL, in respect of the equity shares of PKATL.

7. Share purchase agreement dated April 22, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and PPTL in respect of the equity shares of PPTL.

8. Share purchase agreement dated April 22, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and PWTL, in respect of the equity shares of PWTL.

9. Share purchase agreement dated April 22, 2021, entered into among the Sponsor, the Trustee (on behalf of the Trust), the Investment Manager and PJTL, in respect of the equity shares of PJTL.

10. Offer agreement dated January 25, 2021 entered into among the Trustee (on behalf of the Trust), the Investment Manager, the Sponsor, the Selling Unitholder, the Project Manager and the Lead Managers.

11. Escrow agreement dated March 11, 2021 entered into among the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Escrow Collection Banks, the Refund Banks, the Syndicate Member, the Registrar to the Offer and the Lead Managers.

12. Unit Escrow Agreement dated March 11, 2021 entered into amongst the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Lead Managers and the Unit Escrow Agent in relation to the transfer of Units under the Offer by the Selling Unitholder and credit of such Units to the demat accounts of the Allottees.

13. Syndicate agreement dated March 11, 2021 entered into among the Lead Managers, the Selling Unitholder, the Syndicate Member, the Trustee (on behalf of the Trust), the Investment Manager and the Registrar to the Offer.

14. Underwriting agreement dated May 6, 2021, entered into among the Underwriters, the Trust (acting through the Trustee), the Investment Manager, the Trustee, the Sponsor, the Selling Unitholder and the Project Manager.

15. Registrar agreement dated January 23, 2021 to be entered into among the Trustee (on behalf of the Trust), Investment Manager, the Selling Unitholder and the Registrar to the Offer.

16. Agreement dated January 18, 2021, between NSDL, the Trust (acting through the Investment Manager) and the Registrar to the Offer.

17. Agreement dated January 19, 2021, between CDSL, the Trust (acting through the Investment Manager) and the Registrar to the Offer.

18. Facility Agreement dated April 22, 2021, entered into between the Trust (acting through the Trustee), the Investment Manager (acting in its capacity as the Investment Manager of the Trust) and PVTL.

19. Facility Agreement dated April 22, 2021, entered into between the Trust (acting through the Trustee), the Investment Manager (acting in its capacity as the Investment Manager of the Trust) and PKATL.

20. Facility Agreement dated April 22, 2021, entered into between the Trust (acting through the Trustee), the Investment Manager (acting in its capacity as the Investment Manager of the Trust) and PPTL.

21. Facility Agreement dated April 22, 2021, entered into between the Trust (acting through the Trustee), the Investment Manager (acting in its capacity as the Investment Manager of the Trust) and PWTL

22. Facility Agreement dated April 22, 2021, entered into between the Trust (acting through the Trustee), the Investment Manager (acting in its capacity as the Investment Manager of the Trust) and PJTL.

23. Trademark License Agreement dated January 23, 2021 entered into by the Trustee (on behalf of the Trust) with the Sponsor and the Investment Manager.

24. Certified copies of the updated memorandum and articles of association of the Investment Manager, as amended from time to time.

25. Board resolutions of the Investment Manager dated January 21, 2021, authorising this Offer.

26. Board resolution dated January 19, 2021 and April 23, 2021 passed by the board of directors of the Selling Unitholder approving the Offer for Sale.

27. Consents dated April 22, 2021 and May 6, 2021 from the Selling Unitholder in relation to the Offer for Sale.

28. Consents from the (i) Lead Managers; (ii) Legal counsel to the Trust and to the Sponsor as to Indian law; (iii) Legal Counsel to the Lead Managers as to Indian Law; (iv) International Legal Counsel to the Lead Managers; (v) the Initial Portfolio Assets, the Sponsor, the Project Manager and the Investment Manager; (vi) Valuer; (vii) Registrar to the Offer; (viii) Escrow Collection Banks; (ix) Refund Banks; and (x) the Compliance Officer, as referred to in their respective capacities.

29. Combined Financial Statements and the report thereon.

30. Summary consolidated financial statements of the Sponsor for financial years ended March 31, 2020, March 31, 2019 and March 31, 2018.

31. Summary standalone financial statements of the Investment Manager for financial years ended March 31, 2020, March 31, 2019 and March 31, 2018.

32. Projections of Revenue from Operations and Cash Flow from Operating Activities and the report thereon.

33. The statement of tax benefits dated April 17, 2021 from the Auditors.

34. Due diligence certificate dated January 25, 2021 addressed to SEBI from the Lead Managers.

35. In principle listing approvals dated February 3, 2021 and February 2, 2021 issued by BSE and NSE, respectively.

36. SEBI observation letter bearing number SEBI/HO/DDHS/DDHS/OW/P/2021/5019 dated February 26, 2021.

37. Transmission service agreement dated May 14, 2013 by and between PVTL, Northern Power Distribution Company of Andhra Pradesh Limited, Eastern Power Distribution Company of Andhra Pradesh Limited, Southern Power Distribution Company of Andhra Pradesh Limited, Central Power Distribution Company of Andhra Pradesh Limited, Bangalore Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited, Hubli Electricity Supply Company Limited, Mangalore Electricity Supply Company Limited, Chamundeshwari Electricity Supply Company Limited Kerala State Electricity Board, Tamil Nadu Generation and Distribution Corporation Limited, Puducherry Electricity Department, Government of Puducherry, Goa Electricity Department, Government of Goa and Lanco Kondapalli Power Limited.

38. Transmission service agreement dated November 21, 2015 by and between PVTL and POWERGRID.

39. Transmission service agreement dated January 2, 2014 by and between PKATL, U.P. Power Corporation Limited, Ad Hydro Power Limited, Haryana Power Purchase Centre, Punjab State Power Corporation Limited, Himachal Sorang Power Private Limited, Adani Power Limited, Mundra, Rajasthan Discoms Power Procurement Centre (on behalf of Jaipur Vidyut Vitran Nigam Limited, Ajmer Vidyut Vitran Nigam Limited and Jodhpur Vidyut Vitran Nigam Limited), Lanco Anpara Power Limited, Lanco Green Power Private Limited, Power Development Department,

Government of J&K, North Central Railway, Jaiprakash Power Ventures Limited, BSES Yamuna Power Limited, BSES Rajdhani Power Limited, Tata Power Delhi Distribution Limited, New Delhi Municipal Corporation, Electricity Wing of Engineering Department, Union Territory of Chandigarh, POWERGRID (HVDC Rihand and HVDC Dadri), PTC (Budhil) PTC India Limited, PTC (Everest) PTC India Limited, Uttarakhand Power Corporation Limited and Himachal Pradesh State Electricity Board Limited.

40. Transmission service agreement dated October 18, 2016 by and between PKATL and POWERGRID.

41. Transmission service agreement dated February 9, 2015 and the supplementary agreement dated June 18, 2019 by and between PPTL, Madhya Pradesh Power Management Company Limited, Chhattisgarh Power Distribution Company Limited, Gujarat Urja Vikas Nigam Limited, Maharashtra State Electricity Distribution Company Limited, Goa Power Department, Electricity Department, Dadar and Nagar Haveli, and Electricity Department, Daman and Diu.

42. Transmission service agreement dated July 5, 2016 by and between PPTL and POWERGRID.

43. Transmission service agreement dated February 9, 2015 and the supplementary agreement dated September 11, 2019 by and between PWTL, Madhya Pradesh Power Management Company Limited, Chhattisgarh State Power Distribution Company Limited, Gujarat Urja Vikas Nigam Limited, Maharashtra State Electricity Distribution Company Limited, Electricity Department, Government of Goa, Electricity Department Dadar and Nagar Haveli and Electricity Department, Daman and Diu.

44. Transmission service agreement dated October 27, 2016 by and between PWTL and POWERGRID.

45. Transmission service agreement dated November 19, 2014 by and between PJTL, Madhya Pradesh Power Management Company Limited, Chhattisgarh State Power Distribution Company Limited, Gujarat Urja Vikas Nigam Limited, Maharashtra State Electricity Distribution Company Limited, Electricity Department, Government of Goa, Electricity Department, Dadar and Nagar Haveli and Electricity Department, Daman and Diu.

46. Transmission service agreement dated August 22, 2016 by and between PJTL and POWERGRID.

47. Revenue sharing agreement dated November 21, 2015 by and between PVTL and POWERGRID.

48. Revenue sharing agreement dated October 18, 2016 by and between PKATL and POWERGRID.

49. Revenue sharing agreement dated July 5, 2016 by and between PPTL and POWERGRID.

50. Revenue sharing agreement dated October 27, 2016 by and between PWTL and POWERGRID.

51. Revenue sharing agreement dated August 22, 2016 by and between PJTL and POWERGRID.

52. Corporate governance policies of the Investment Manager.

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations 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 Final Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For POWERGRID Unchahar Transmission Limited

Sd/-
Seema Gupta
Chairperson

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations 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 Final Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For POWERGRID Unchahar Transmission Limited

Sd/-
Sunil Kumar Sharma
Independent Director

Date: May 6, 2021
Place: Bangalore

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations 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 Final Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For POWERGRID Unchahar Transmission Limited

Sd/-
Manathattai Narayanan Venkatesan
Independent Director

Date: May 6, 2021
Place: Chennai

DECLARATION

The Investment Manager declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations 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 Final Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For POWERGRID Unchahar Transmission Limited

Sd/-
Ashok Kumar Singhal
Director

Date: May 6, 2021
Place: New Delhi

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Sreekant Kandikuppa
Chairman and Managing Director

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Seema Gupta
Director (Operations)

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Vinod Kumar Singh
Director (Personnel)

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
M. Taj Mukarrum
Director (Finance)

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Abhay Choudhary
Director (Projects)

Date: May 6, 2021
Place: Gurgaon

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Anthiya Mahalakshmi Rajaram
Independent Director

Date: May 6, 2021
Place: Madurai

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Sunil Kumar Sharma
Independent Director

Date: May 6, 2021
Place: Bangalore

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Manathattai Narayanan Venkatesan
Independent Director

Date: May 6, 2021
Place: Chennai

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Mritunjay Kumar Narayan
Government Nominee Director

Date: May 6, 2021
Place: New Delhi

DECLARATION

The Sponsor declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Sponsor further certifies that all the statements and disclosures made and undertakings provided by it in this Final Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited

Sd/-
Dilip Nigam
Part-time Director (Government Nominee Director)

Date: May 6, 2021
Place: New Delhi

DECLARATION

The Selling Unitholder declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Final Offer Document is contrary to the provisions of the InvIT Regulations, the SCRA, SEBI Guidelines, SEBI Act and all regulations and guidelines issued by the GoI or SEBI (as the case may be). The Selling Unitholder further certifies that all the statements and disclosures made and undertakings provided by it, in this Final Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

For Power Grid Corporation of India Limited
(as the Selling Unitholder)

Sd/-
M. Taj Mukarrum
Director (Finance)

Date: May 6, 2021
Place: Gurgaon

ANNEXURE A

VALUATION REPORT

(*The remainder of this page has intentionally been left blank*)

Report on Fair Valuation of Transmission Assets to be acquired by POWERGRID Infrastructure Investment Trust

RBSA Valuation Advisors LLP

VALUATION | INVESTMENT BANKING | RESTRUCTURING | TRANSACTION SERVICES | TRANSACTION TAX | ADVISORY SERVICES

RBSA Advisors

Private and Confidential

26th February 2021

Report Ref No: RVA2021DTFAREP058

POWERGRID Unchahar Transmission Limited
Saudamini, Plot No.2,
Sector 29, Near IFFCO Chowk,
Gurgaon (Haryana) - 122001, India

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

Dear Sir,

We refer to our appointment letter dated 10th August 2020 wherein RBSA Valuation Advisors LLP ("RBSA") has been appointed by POWERGRID Unchahar Transmission Limited ("PUTL"/ the "Investment Manager"), as an independent valuer, as per Regulation 2(zzf) of the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"), for the purpose of valuation of five wholly-owned transmission subsidiaries or Special Purpose Vehicles (together referred to as the "Specified SPVs" or "Initial Portfolio Assets") of Power Grid Corporation of India Limited ("POWERGRID" or the "Sponsor"), which are proposed to be transferred to POWERGRID Infrastructure Investment Trust ("PGInvIT " or the "Trust"), where PUTL is acting as the Investment Manager and POWERGRID as the Sponsor within the meaning of the SEBI InvIT Regulations.

We have relied on explanations and information provided by/ on behalf of the Investment Manager. We have analysed the information provided by/ on behalf of the Investment Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of such information. We have no present or planned future interest in the Sponsor, SPVs or the Investment Manager except to the extent of our appointment as an independent valuer and the fee for our Valuation Report ("Report") is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

We enclose our Report providing our opinion on the fair valuation of the Specified SPVs as of 31st December 2020 ("Valuation Date"), on a 'going concern' premise. The attached Report details the valuation methodologies, calculations, and conclusions with respect to this valuation.

We believe that our analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

ADVISORS LLP * RBSA VALUATION

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

The Report must be read in conjunction with the Assumptions and Limiting Conditions, which are contained in Section 3 of this Report. This letter, the Report and the summary of valuation included herein can be provided to PUTL's advisors and can be reproduced and included in the offer document and final offer document proposed to be filed in connection with an initial public offering of the units of the Trust and may be made available for the inspection to the public as a material document and with the Securities and Exchange Board of India, the stock exchanges and any other regulatory and supervisory authority, as may be required.

We draw your attention to the limitation of liability clauses in Section 3 of the Report.

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

For **RBSA Valuation Advisors LLP,**
(RVE No.: IBBI/RV-E/05/2019/110)

RShah

RBSA VALUATION ADVISORS LLP

Ravishu Vinod Shah
Partner
Asset Class: Securities or Financial Assets (RV No.: IBBI/RV/06/2020/12728)
Date: 26th February 2021
Place: Mumbai

Contents

RBSA VALUATION ADVISORS LLP *
RM

1. Executive Summary

Power Grid Corporation of India Limited ("POWERGRID" or the "Sponsor"), a public limited company under the administrative control of the Ministry of Power, commenced its commercial operations in 1992-93. It is a Maharatna company engaged in the business of power transmission and its equity shares are listed on BSE and NSE.

POWERGRID is proposing to act as the Sponsor for the proposed POWERGRID Infrastructure Investment Trust ("PGInvIT" or the "Trust"), an infrastructure investment trust under the SEBI InvIT Regulations. IDBI Trusteeship Services Limited (the "Trustee") is appointed as the Trustee of PGInvIT. POWERGRID Unchahar Transmission Limited ("PUTL"/ the "Investment Manager") is appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations").

POWERGRID aims to monetise five Tariff-based Competitive Bidding ("TBCB") SPVs through the InvIT (Infrastructure Investment Trust) route.

The Cabinet Committee on Economic Affairs ("CCEA") chaired by the Prime Minister approved monetisation of TBCB assets of POWERGRID on 8th September 2020.

In this regard, RBSA Valuation Advisors LLP ("RBSA") has been appointed by the Investment Manager, as an independent valuer, as per Regulation 2(zzf) of the SEBI InvIT Regulations, for the purpose of valuation of the following five wholly owned transmission asset subsidiaries or Special Purpose Vehicles (together referred to as the "Specified SPVs" or "Initial Portfolio Assets") of POWERGRID, which are proposed to be transferred to the Trust.

The Specified SPVs comprises the following SPVs to be acquired from POWERGRID:

1. POWERGRID Vizag Transmission Limited ("PVTL")

- PVTL operates two transmission lines of 956.84 circuit kilometres ("ckm") comprising one 765 kV double circuit line of 668 ckm from Srikakulam (Andhra Pradesh) to Vemagiri (Andhra Pradesh) and one 400 kV double circuit line of 288.84 ckm from Khammam (Telangana) to Nagarjuna Sagar (Andhra Pradesh).

2. POWERGRID Kala Amb Transmission Limited ("PKATL")

- PKATL operates one transmission line of 2.47 ckm comprising LILO of Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers).
- In addition, the project includes one 400/220 kV substation of an aggregate transformation capacity of 630 MVA in Kala Amb (Himachal Pradesh), and 40% series compensation on 400 kV D/C line from Karcham Wangtoo (Himachal Pradesh) to Kala Amb (Himachal Pradesh).

RBSA VALUATION ADVISORS LLP

3. POWERGRID Parli Transmission Limited ("PPTL")

- PPTL operates three transmission lines of 966.12 ckm comprising one 765 kV double circuit line of 693.70 ckm from Warora (Maharashtra) to Parli (Maharashtra), one 765 kV double circuit line of 235.92 ckm from Parli (Maharashtra) to Solapur (Maharashtra), and one 400 kV double circuit line of 36.50 ckm from Parli (New) (Maharashtra) to Parli (PG) (Maharashtra).
- In addition, the project includes one 765/400 kV substation of an aggregate transformation capacity of 3,000 MVA in Parli (Maharashtra).

4. POWERGRID Warora Transmission Limited ("PWTL")

- PWTL operates four transmission lines of 1,028.11 ckm comprising one 765 kV double circuit line of 204.47 ckm from Gadarwara (Madhya Pradesh) to Jabalpur (Madhya Pradesh), one 765 kV double circuit line of 627.35 ckm from Gadarwara (Madhya Pradesh) to Warora (Maharashtra), and two 400 kV double circuit line of 196.29 ckm i.e., LILO of both circuits of Wardha – Parli (PG) 400kV D/C line at Warora pooling station.
- In addition, PWTL has established one 765/400 kV substation with an aggregate transformation capacity of 3,000 MVA in Warora (Maharashtra).

5. POWERGRID Jabalpur Transmission Limited ("PJTL")

- PJTL operates one transmission line of 745.01 ckm comprising 765 kV double circuit line from Vindhyachal Pooling Station (Madhya Pradesh) to Jabalpur Pooling Station (Madhya Pradesh).

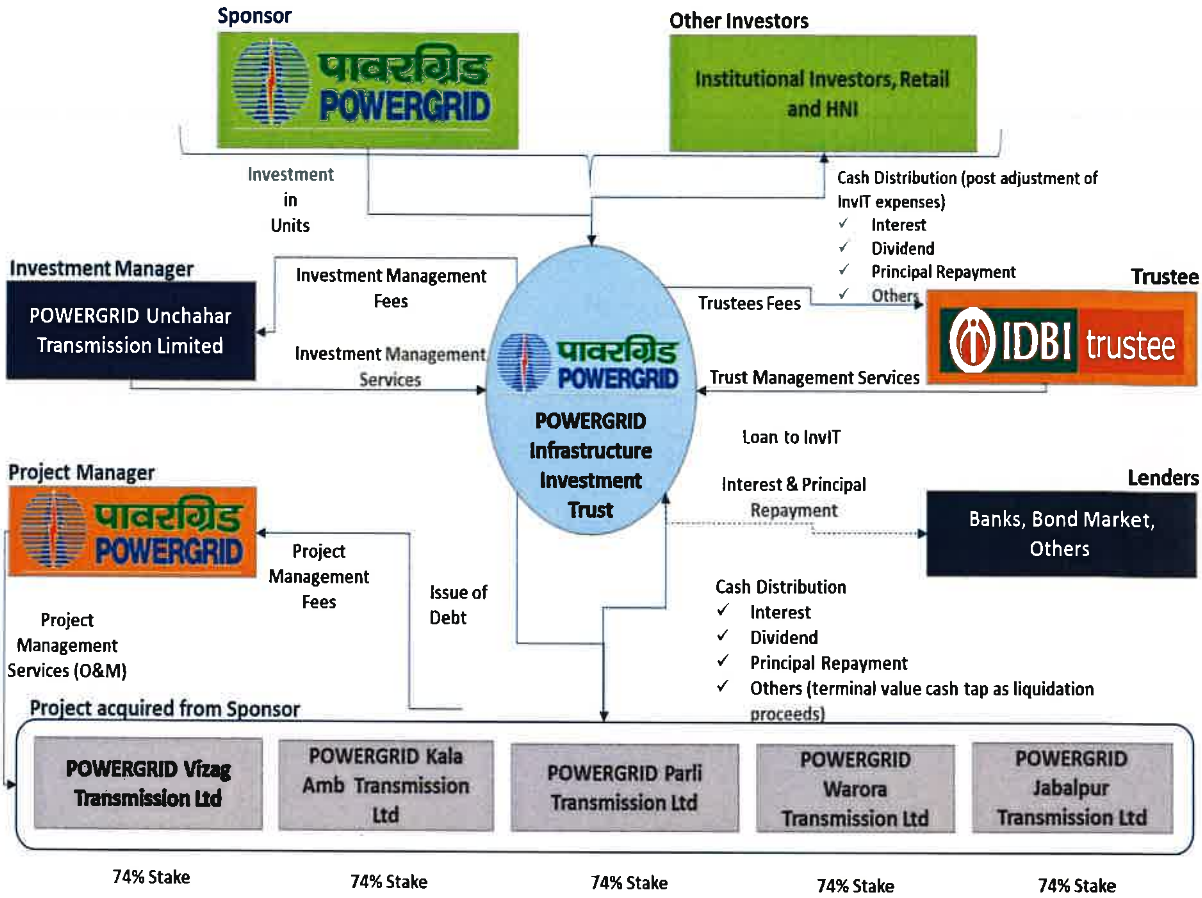
Proposed Acquisition of stake in the Specified SPVs by the Trust

SPV	Date of Commercial Operations ("COD")	Sponsor Holding	Equity Stake proposed to be acquired by the Trust prior to Listing	Residual Equity Stake	Date of acquiring 100% Equity stake in SPV
PVTL	01-Feb-2017	100%	74.00%	26.00%	01-Feb-22
PKATL	12-Jul-17	100%	74.00%	26.00%	12-Jul-22
PPTL	04-Jun-18	100%	74.00%	26.00%	04-Jun-23
PWTL	10-Jul-18	100%	74.00%	26.00%	10-Jul-23
PJTL	01-Jan-19	100%	74.00%	26.00%	01-Jan-24

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

Proposed POWERGRID Infrastructure Investment Trust Structure



Source: Information provided by the Management

Valuation

We have carried out the Enterprise and Equity Valuation of the Specified SPVs as of 31st December 2020 ("Valuation Date") considering *inter-alia* historical performance of the Specified SPVs, Business plan/ Projected financial statements of the Specified SPVs and other information provided by/ on behalf of the Investment Manager, industry analysis and other relevant factors.

In performing the valuation analysis, we have adopted the Discounted Cash Flow ("DCF") Method under the Income Approach. We have applied the Free Cash Flow to Firm method under DCF in which the free cash flow to firm has been estimated based on the projected financial statements provided by the Investment Manager. The Enterprise Value has been computed by discounting the free cash flows over the forecast period until the end of the life of project and the terminal value at the end of the forecast period using an appropriate Weighted Average Cost of Capital ("WACC").

VALUATION ADVISORS LLP RBSA

The Valuation summary of the Specified SPVs as of 31st December 2020 is as follows:

SPV	WACC	Enterprise Value (INR Mn)	Equity Value (INR Mn)	No. of equity shares	Value per equity share (INR)
POWERGRID Vizag Transmission Limited	7.80%	23,136.1	15,313.8	209,730,000	73.0
POWERGRID Kala Amb Transmission Limited	7.60%	4,535.2	2,679.5	61,000,000	43.9
POWERGRID Parli Transmission Limited	7.70%	25,976.4	13,138.6	322,100,000	40.8
POWERGRID Warora Transmission Limited	7.70%	29,036.8	13,679.5	393,300,000	34.8
POWERGRID Jabalpur Transmission Limited	7.60%	21,163.0	9,582.1	226,910,000	42.2

RBSA VALUATION ADVISORS LLP

RM.

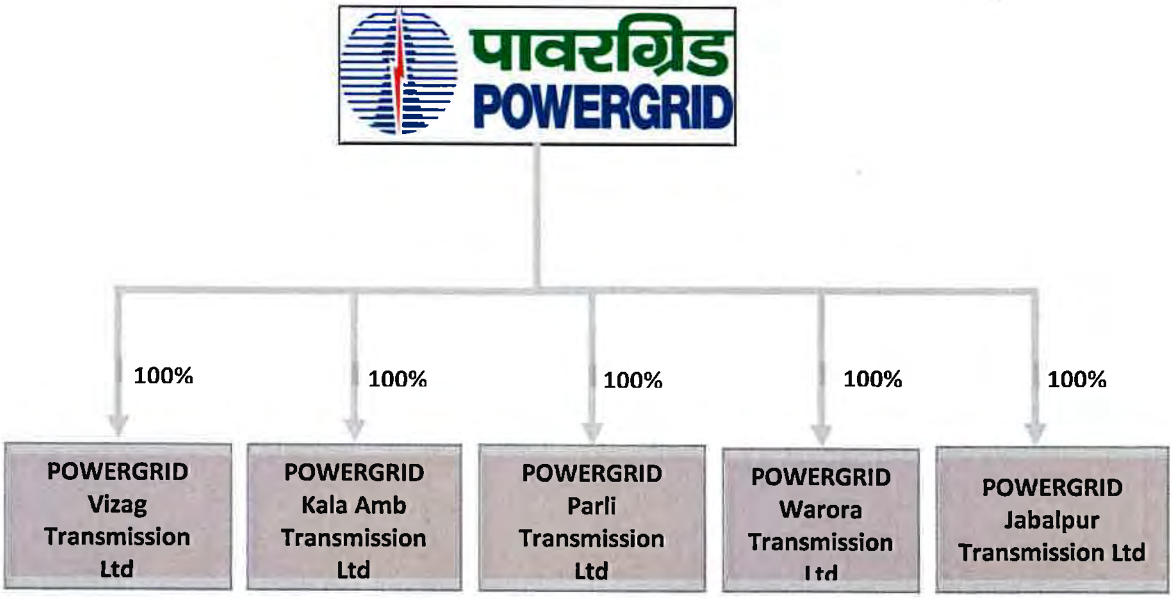
2. Engagement Overview

- Power Grid Corporation of India Limited (the "Sponsor" or "POWERGRID") is primarily engaged into installation and operation of power transmission projects.

- POWERGRID is proposing to act as the Sponsor for the proposed POWERGRID Infrastructure Investment Trust ("PGInvIT" or the "Trust"), an infrastructure investment trust under the SEBI InvIT Regulations. IDBI Trusteeship Services Limited ("Trustee") is appointed as the Trustee of the above-mentioned Trust. POWERGRID Unchahar Transmission Limited ("PUTL"/ the "Investment Manager") is appointed as the Investment Manager to the Trust by the Trustee and shall be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

- We understand from the management of the Investment Manager (the "Management") that the proposed PGInvIT, acting through the Trustee, shall acquire the equity stake held by POWERGRID in the Specified SPVs, mentioned below, following which units will be issued to the Sponsor and other investors by the Trust, which are to be listed on one or more recognised Indian stock exchanges consequent to an IPO of the Trust ("Proposed Transaction"). In this regard, RBSA has been engaged to undertake an independent valuation of the Specified SPVs as per the extant provisions of the SEBI InvIT Regulations issued by the Securities and Exchange Board of India ("SEBI").

- The Specified SPVs of POWERGRID proposed for monetization are as follows:



The above SPVs are together referred to as "**Initial Portfolio Assets**"/ "**Specified SPVs**".

- In this regard, the Investment Manager has appointed us, RBSA, to undertake the Valuation of the Specified SPVs as per the SEBI InvIT Regulations.

- RBSA Valuation Advisors LLP is a registered valuer entity under the Section 247 of the Companies Act, 2013 registered with the Insolvency and Bankruptcy Board of India having Registered Valuer Entity No. IBBI/RV-E/05/2019/110.

- We declare that:
    - We are competent to undertake the financial valuation in terms of the SEBI InvIT Regulations; and
    - We are an independent registered valuer entity and have prepared the Report on a fair and unbiased basis.
    - We have at least two partners/ directors having experience of 5 years each in the valuation of infrastructure assets.

- We have estimated the Enterprise Value and Equity Value (Fair Value of Equity Shares) of each of the Specified SPVs.

- The Valuation Date considered for the Enterprise Valuation and Equity Valuation of the Initial Portfolio Assets is 31st December 2020. Valuation analysis and results are specific to the valuation date. A valuation of this nature involves consideration of various factors including the financial position of the Specified SPVs as at the Valuation Date, trends in the equity stock market and fixed income security market, macro-economic and industry trends, etc.

- We have carried out additional scope of work as per schedule V of SEBI InvIT Regulations (Refer para 10.1 for further details).

- This Valuation Report ("Report") covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the Specified SPVs is impartial, true, and fair and in compliance with the SEBI InvIT Regulations.

RBSA VALUATION ADVISORS LLP

RM.

3. Assumptions and Limiting Conditions

- This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report; (iii) financial statements of the Specified SPVs for the period ended 31st December 2020; and (iv) Business plan/ Projected financial statements of the Specified SPVs and other information provided by/ on behalf of the Management and information obtained from public domain/ subscribed databases till 15th February 2021. The Management has represented that the business activities of the Specified SPVs have been carried out in normal and ordinary course between 31st December 2020 and the Report Date and that no material changes have occurred in their operations and financial position between 31st December 2020 and the Report date.

- While our work has involved an analysis of financial and other information provided by/ on behalf of the Management, our engagement does not include an audit in accordance with generally accepted auditing standards of the Specified SPVs' existing business records. We have not carried out any independent technical evaluation or appraisal or due diligence of the assets or liabilities of the Specified SPVs. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by/ on behalf of the Management. Our Report is subject to the scope, assumptions and limitations detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

- Valuation is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range, however, considering the purpose and requirement of this engagement, we have provided a single value. While we have provided our opinion on the fair value of the Specified SPVs based on the information made available to us and within the scope and constraints of our engagement, others may have a different opinion.

- A valuation of this nature is necessarily based on stock market, financial, economic, and other conditions in general and industry trends in particular prevailing as on the Valuation date and the information made available to us as of the date hereof. Events occurring after the Valuation date may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

- The ultimate analysis will have to be tempered by the exercise of judicious discretion and judgment by the valuer taking into account the relevant factors. There will always be several factors, e.g., management capability, present and prospective competition, yield on comparable securities, market sentiment, etc. which may not be apparent from the face of the financial statements but could strongly influence the value.

- In the course of valuation, we were provided with both written and verbal information. We have analysed the information provided to us by/ on behalf of the Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. Our conclusions are based on the assumptions, forecasts and other information provided by the Investment Manager.

- Valuation may be based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time. However, we do not provide assurance on the achievability of the results projected by the Management as events and circumstances do not occur as expected and differences between actual and expected results may be material. We express no opinion as to how closely the actual results will correspond to those projected as the achievement of the projected results is *inter-alia* dependent on actions, plans and assumptions of the Management and macro-economic and other external factors which are beyond the control of the Management.

- Our valuation is primarily from a business perspective and does not take into account various legal and other corporate structures beyond the limited information provided to us by the Investment Manager. The value conclusion is not intended to represent the value at any time other than the Valuation date that is specifically stated in the Report.

- We have also relied on the data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and/ or reproduced in its proper form and context.

- The actual market price achieved in case of a transaction may be higher or lower than our estimate of value depending upon the circumstances and timing of the transaction, the nature of the business and other relevant factors. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree considering inter-alia their own assessment of the Proposed Transaction and inputs from other advisors.

- This Report has been prepared for the sole use by the Investment Manager in connection with the purpose stated herein. It is inappropriate to use this Report for any purpose other than the purpose mentioned herein. This restriction does not preclude the Investment Manager from providing a copy of the Report to its third-party advisors whose review would be consistent with the intended use. Our Report may be disclosed in connection with any statutory and regulatory filing in connection with the Proposed Transaction in accordance with the provision of SEBI InvIT Regulations. Further, the Report and summary of valuation included herein can be reproduced and included in the offer document and final offer document proposed to be filed in connection with the IPO of the units of Trust and may be made available for inspection in the manner specified therein. Unless required by law, it shall not be provided to any other third party without our prior written consent. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available. In no event, regardless of whether consent has been provided, shall we

RBSA VALUATION ADVISORS LLP
RM.

assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.

- The Report assumes that the Specified SPVs complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, unless specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/ reflected in the financial statements provided to us.

- 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 that 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.

- This Report is based on the information received from the sources mentioned in Section 4 and discussions with the Management and representatives of the Investment Manager. We have assumed that no information has been withheld that could have influenced the purpose of our Report.

- The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on 11th March 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Value analysis is reported on the basis of 'material valuation uncertainty' and accordingly less certainty and a higher degree of caution should be attached to the Value Analysis than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.

- In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, irrespective of the quantum of loss or damage caused, shall be limited to the amount of fees actually received by us from the Investment Manager, as laid out in the engagement letter, for such valuation work.

- In rendering this Report, we have not provided any legal, regulatory, tax, accounting, or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

- This Report does not look into the business/ commercial reasons behind the proposed transaction nor the likely benefits arising out of the same. Similarly, it 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.

RBSA VALUATION ADVISORS LLP

- We are not advisors with respect to legal tax and regulatory matters for the Proposed transaction. No investigation of the Specified SPVs' claim to title of assets has been made for the purpose of this Report and the Specified SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans is closed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

- The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. 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.

- RBSA is not aware of any contingent, commitment or material issue, besides the information disclosed in the audited financial statements and as provided by the Investment Manager which has been presented in this Report, which could materially affect the Specified SPVs' economic environment and future performance and therefore, the fair value of their businesses.

- We have no present or planned future interest in the Trustee, Investment Manager, the Sponsor or the Specified SPVs and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction.

- A draft of the report was provided to the Management for confirmation of facts and management representations. The Management has represented to us that the information provided to us was complete, accurate and true and correct to the best of their knowledge. We have relied upon the representations of the Management in respect of the information provided by the Management. We shall not be liable for any loss, damages, cost, or expenses arising from fraudulent acts, misrepresentations, or wilful default on part of the Investment Manager, the Specified SPVs, their directors, employee, or agents.

- This Report forms an integral whole and cannot be split in parts. The outcome of the valuation can lead to proper conclusions only if the Report as a whole is taken into account.

- **Limitation of Liabilities**
    - It is agreed that, having regard to RBSA's interest in limiting the personal liability and exposure to litigation of its personnel, the Investment Manager and InvIT will not bring any claim in respect of any damage against any of RBSA's personnel personally.
    - In no circumstances, RBSA 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 RBSA the likelihood of such damages.

RBSA VALUATION ADVISORS LLP
RM

Any decision to act upon the deliverables is to be made by the Investment Manager and no communication by RBSA should be treated as an invitation or inducement to engage the Investment Manager to act upon the Deliverable.

- In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any loss or damage caused, shall be limited to the amount of fees actually received by us, as laid out in the engagement letter, for such valuation work.
- It is clarified that the Sponsor, PUTL 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.
- RBSA will not be liable if any loss arises due to the provision of false, misleading, or incomplete information or documentation by the Sponsor, PUTL or the Trustee.

RBSA VALUATION ADVISORS LLP

4. Sources of Information

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

i. Audited financial statements of the Specified SPVs for the financial years ("FY") ended 31st March 2018 till 31st March 2020;
ii. Audited financial statements of the Specified SPVs for the period 1st April 2020 to 31st December 2020;
iii. Historical Average Annual Availability of the Specified SPVs;
iv. Projected income statement, balance sheet and cash flow statement (including key underlying assumptions) of the Specified SPVs for the balance tenor of their Transmission Service Agreement (refer table below), which the management of the Investment Manager (the "Management") believes to be their best estimate of the expected operating performance of the Specified SPVs going forward ("Management Projections") :

Name of the SPV	Tenor of Transmission Service Agreement ("TSA")
PVTL	31st January 2052
PKATL	11th July 2052
PPTL	3rd June 2053
PWTL	9th July 2053
PJTL	31st December 2053

v. TSAs of the Specified SPVs;
vi. Details of brought forward losses (as per the Income Tax Act) of the Specified SPVs as of 31st March 2020;
vii. Technical Reports of the Specified SPVs, prepared by an independent consultant, in relation to technical life of the assets, quality of the assets and historical operational availability of assets;
viii. Petition Filed before CERC for Force Majeure & Change in Law with respect to PPTL, PWTL and PJTL. Final order from CERC awaited.

RBSA VALUATION ADVISORS LLP
RM.

5. Procedures

We have carried out the valuation of the Specified SPVs, to the extent applicable, in accordance with ICAI Valuation Standards, 2018 ("ICAI VS") issued by the Institute of Chartered Accountants of India.

We have adopted the following procedures for carrying out the valuation analysis:

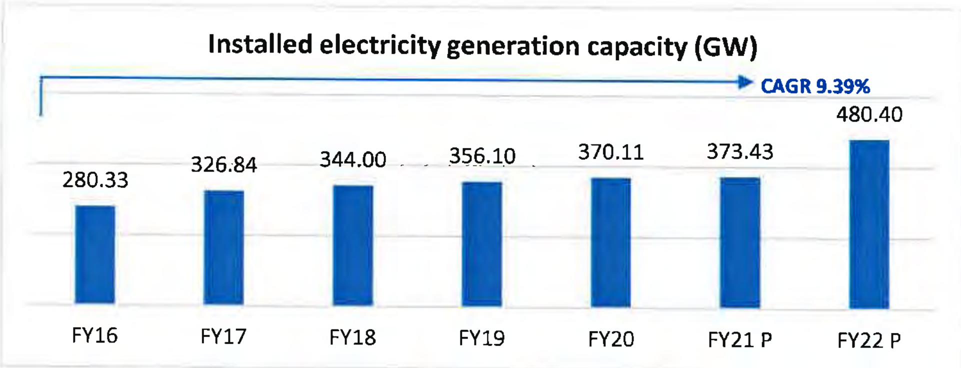
- Considered the historical audited financial statements of the Specified SPVs for FY18, FY19, FY20 and audited financial statements of the Specified SPVs for the period ended 31st December 2020;
- Analysis of the Management Projections;
- Discussions with the Management to *inter-alia* understand the historical and expected performance of the Specified SPVs and key factors affecting the performance of the Specified SPVs;
- Considered key terms of the TSA;
- Considered Technical Reports of the Specified SPVs provided by an independent consultant appointed by the Management;
- Analysis of the key economic and industry factors which may affect the valuation of the Specified SPVs;
- Analysis of the information available in public domain/ subscribed databases in respect of the comparable companies/ comparable transactions, as considered relevant by us;
- Selection of valuation approach and valuation methodology/(ies), in accordance with ICAI VS, as considered appropriate and relevant by us;
- Determination of Enterprise Value and Equity Value of the Specified SPVs.

RBSA VALUATION ADVISORS LLP
RM.

6. Industry Overview

Power Sector in India

- As per the World Economic Outlook issued by International Monetary Fund ("IMF") in October 2020, Indian economy was projected to contract by ~10.3% in FY2021 from FY2020 and expected to bounce back in FY2022 with a growth rate of ~8.8%. The Government of India has taken various measures to address the economic challenges induced by the Covid-19 pandemic to support the economic activities and consumption.
- India is the third largest producer and consumer of electricity in the World, with an installed power generation capacity reaching ~370 GW as of March 2020.
- As per Central Electricity Authority ("CEA"), India's power generation capacity is projected to be around 480GW by the end of FY2022 from ~370 GW at the end of FY2020 and the major addition is expected to be from renewable sector in India.



- India's power demand has been growing steadily due to universal electrification programmes and further growth in consumer income, urbanisation, housing, railways and metros, and industrial facilities.
- India has transitioned from a power deficit nation to a power surplus nation. In the first half of FY2020, there was just 0.2% gap between peak power demand and peak supply compared to 0.7% in the corresponding period of the previous year. According to the Ministry of Power ("MoP") and the Ministry of New & Renewable Energy ("MNRE"), the gap is mostly owing to limitations in sub-transmission and distribution network and financial constraints of state power utilities.
- The per capita electricity consumption in India is around 1,208 kWh which is considerably low compared to the World's per capita consumption of approximately 3,200 kWh. Given India's large population, the country's per capita electricity demand has significant potential for growth.
- Various programmes and schemes have been introduced by the Government of India which have further augmented the growth potential of the power sector:
    a. **Power for All:** The Government started 'Power for All' programme in FY2018 as a joint initiative with the States and Union Territories to make power available 24x7 to all households, industry, commercial businesses, public needs, other electricity consuming entities and agriculture farm holdings by FY2019.

b. **Deen Dayal Upadhyaya Gram Jyoti Yojana:** Deen Dayal Upadhyaya Gram Jyoti Yojana is a Government of India scheme designed to provide continuous power supply to rural India.

c. **Pradhan Mantri Sahaj Bijli Har Ghar Yojana – Saubhagya:** Under the scheme, electricity connections were provided to 99.93% of 26.04 million targeted households in FY2019.

d. **Integrated Power Development Scheme:** The scheme was launched by the Ministry of Power, Government of India with the objectives of: Strengthening of sub-transmission and distribution network and metering of distribution transformers/feeders/consumers in the urban areas.

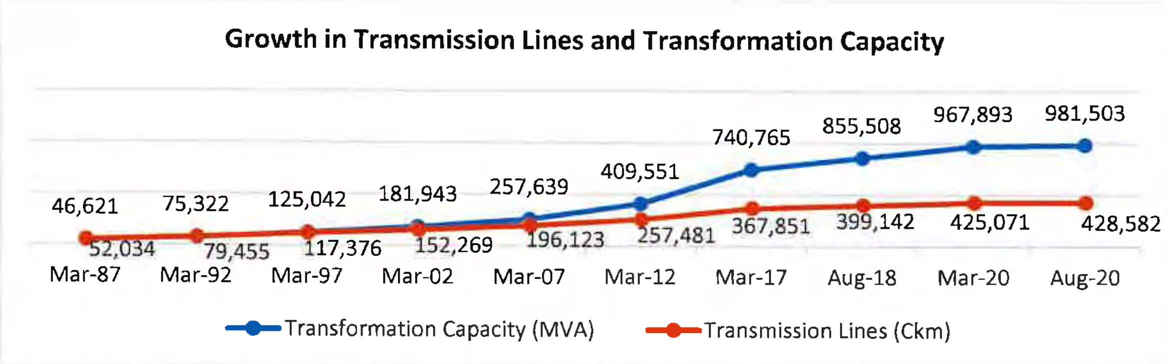
e. **Ujwal Discom Assurance Yojana:** The scheme is for financial turnaround and revival package for electricity distribution companies in India initiated by the Government of India.

f. **UJALA:** Unnat Jyoti by Affordable LEDs for All ("UJALA") was launched by Prime Minister Narendra Modi on 1st May 2015 replacing the "Bachat Lamp Yojana"

Power Transmission network in India

9,81,503 MVA Transformation Capacity	*4,28,582 CKm Transmission Line*

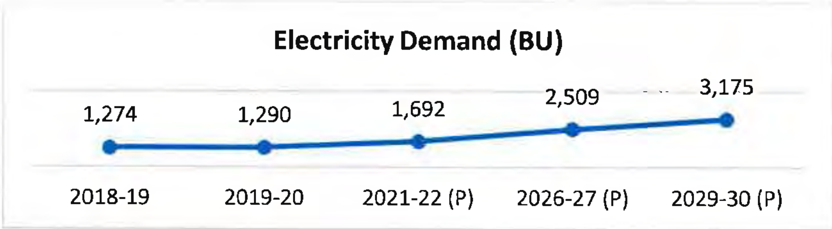
- According to the report of the task force on National Infrastructure Pipeline ("NIP"), around 1,10,000 circuit kilometers (Ckms) of transmission lines are required to be added within the period FY2017-22. Slightly more than 50% (57,000 Ckms) of this requirement has been completed by March 2020 in three years. The remaining 53,000 Ckms are to be completed over the next two years.
- As per the chart below, transmission capacity and transmission lines have experienced significant growth in the last three years with an increase of c.31% and c.16%, respectively, from March 2017 to March 2020.



Key Growth Drivers for Power Transmission Sub-sector

Growing electricity demand:

- Pan-India demand for electricity is expected to grow from 1,290 BU in FY2020 to 1,692 BU by FY2022 and further to 3,175 BU by FY2030.
- With a substantial increase in demand, India would need investments in transmission assets to strengthen its grid transmission infrastructure and electricity distribution.

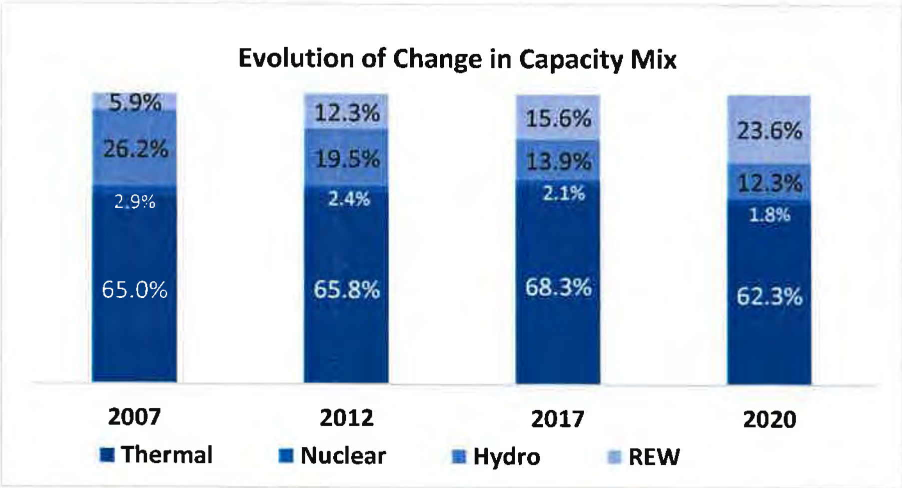


Inter-regional power demand-supply gap:

- India has a power demand-supply gap in different regions i.e., some states are power deficit while some states have surplus power.
- To bridge this gap, higher evacuation capacity is required, which in turn will increase the inter-state transmission capacity. According to CEA, regional power transmission capacity of 118 GW will be required to transfer power capabilities from power surplus regions in East and West India to deficit regions in North, North East and South India.

Focus on Renewable Energy

- The Government's target of installing 175 GW of renewable power by FY2022 will require a capacity addition of 45 GW annually and with this, the share of renewable energy is likely to increase from the current 23.6% (in terms of installed capacity) to approximately 36% by FY2022, creating more opportunities for growth in transmission capacity.
- The share of renewable energy has increased immensely from 5.9% in FY2007 to 23.6% in FY2020 manifesting the Government's focus on the renewable sector.



VALUATION ADVISORS LLP RBSA

Green Energy Corridor

- The Green Energy Corridor project aims at merging renewable electric power with conventional power stations in the grid. MNRE sanctioned the Intra-state Transmission System ("InSTS") project which would evacuate large-scale renewable energy from eight renewable-rich states of India i.e., Andhra Pradesh, Gujarat, Himachal Pradesh, Karnataka, Maharashtra, Rajasthan, Tamil Nadu, and Jammu & Kashmir.
- The project covers completion of 9,767 Ckms intra-state and 3,068 Ckms inter-state transmission lines in India, along with completion of substations with a transformation capacity of 19,000 MVA. This aims to evacuate 20,000 MW of large-scale renewable power and improve grid capacities in those states.
- CEA has estimated expenditure of around INR 380 billion for transmission infrastructure and setting up renewable energy management centres.
- As of December 2019, 6,258 Ckms of intra-state transmission lines had been constructed, along with over 2,400 Ckms of inter-state transmission lines. The project has been extended till December 31, 2020.

Shift to higher voltage cables.

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

Changing flow of electricity in India

- As India is shifting its focus towards renewable energy from fossil fuels, there is a shift in electricity flow between different regions. Earlier, because of the dependence on thermal power generation, electricity was flowing from the coal belts of East to other parts of India. In future, with an increasing contribution of renewable sources in power generation, electricity will flow from the West and South regions to the rest of India.
- Renewable capacity additions will require faster execution of transmission lines as renewable assets take lesser commissioning time than thermal assets. Interestingly, the growth of renewable energy sector has a linear relationship with transmission growth.
- The Government has already begun the process of developing transmission capacities and lines to support renewable capacity additions in India. Solar Energy Corporation of India ("SECI") has announced two tenders for 2 GW of solar and 2 GW of wind projects in March 2020 under the inter-state connected ("ISTS") programme.
- Till March 2020, SECI had tendered 14.2 GW of ISTS solar projects and 13.4 GW of ISTS wind projects under Tranche I to IX.

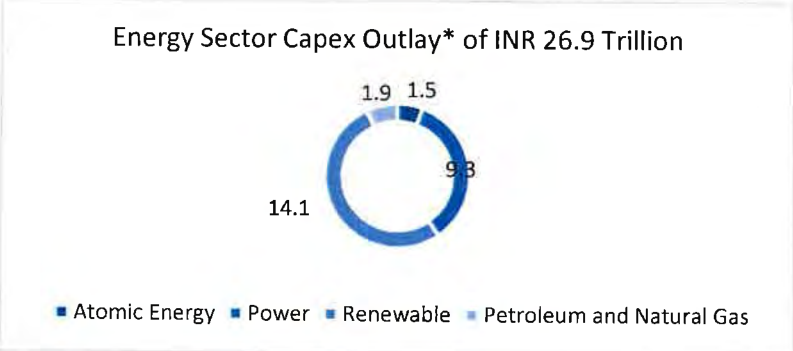
RBSA VALUATION ADVISORS LLP

Railway Electrification

- Currently, ~40% of the railway network in India is not electrified. Therefore, the Government of India has set its goal of achieving 100% electrified railway network by FY2030. Thus, this shall open up opportunity for both renewable power generation players as well as transmission developers.

Investments in Power Transmission in India

- Due to the inter-related growth pattern, increase in capital investments in both transmission and renewable will require significant government push in the form of policy reforms. A conducive environment for public-private partnership and promoting alternate avenues of fund raising and a push towards public sector spending are imperative.
- The National Infrastructure Pipeline ("NIP") has an INR 111 trillion capex budget for the period FY2020 to FY2025, which has lined up 6,500 projects across 23 sectors.
- Energy sector accounts for 24% share in planned investments under the NIP, more than any other sector. This equates to a capital expenditure outlay of roughly INR 26.9 trillion for the energy sector, with power and renewable sectors expected to get a majority share of INR 14.1 trillion and INR 9.3 trillion, respectively. Transmission alone is expected to account for INR 3 trillion of capital expenditure during FY2020 to FY2025.



**Total energy sector capex to be incurred from FY2020 to FY2025.*

Key Challenges

- Key challenges faced by India's power transmission sector are primarily on three fronts – time, space, and capital.
    1. Construction in transmission projects needs to keep pace with faster commissioning of renewable generation facilities.
    2. With rapid urbanisation, greenfield projects might not have adequate space as they compete with much-needed city infrastructure. Land acquisition for new infrastructure will remain a constraint.
    3. Commercial T&D losses due to theft, defective meters, errors in meter reading and in estimating unmetered supply of energy.
    4. Generation sources are located in remote areas, posing challenges in developing transmission infrastructure.

Factors driving investments in Power Transmission.

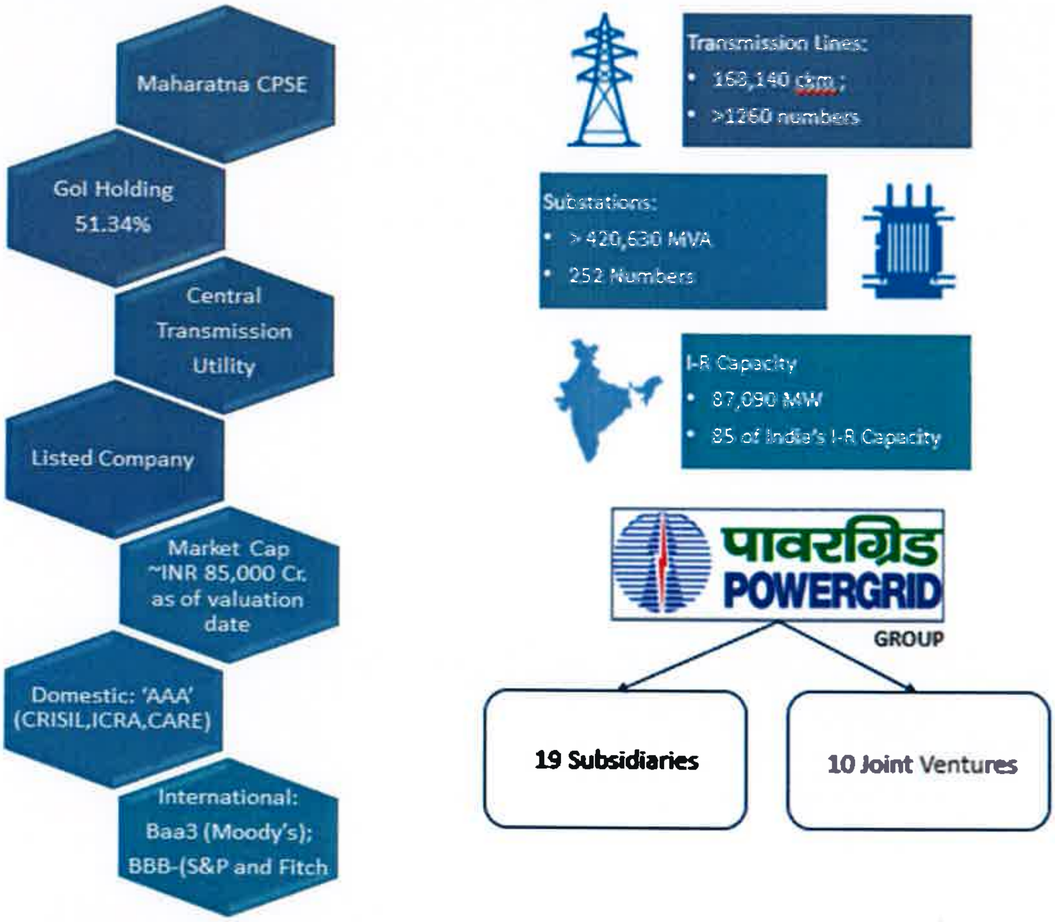
- **Conducive regulatory framework:** Under Tariff-based competitive bidding, both public and private sector contenders need to bid for projects based on tariffs. It is a favourable augury for private sector participation in the power transmission sector.
- **Low operational risk:** Once the project is commissioned, with the implementation of Point-of-Connection (PoC) mechanism, there is limited offtake and no price risks. Thus, operational transmission projects have regular cash flows and steady project returns.
- **Availability based regime:** Revenue from a transmission line is based on the availability of the system irrespective of actual amount of power flow.
- **Diversified counter-party risk:** As revenue among all Transmission Service Providers is aggregated on a pan-India basis and is not asset specific, the counter-party risk gets diversified.
- **Robust Payment Security:** Transmission Service Agreement covers payment security for transmission providers, which reduces the chance of revenue default.

Sources of information for the Industry Overview:

1. *World Economic Outlook, October 2020, International Monetary Fund*
2. *International Energy Agency*
3. *Report of the Task Force on National Infrastructure Pipeline – Volume I & II, Department of Economic Affairs, Government of India*
4. *Ministry of Power, Government of India*
5. *Ministry of New & Renewable Energy, Government of India*
6. *Central Electricity Authority*
7. *Solar Energy Corporation of India*
8. *National Electricity Plan, Ministry of Power, Government of India*
9. *India Brand Equity Foundation – Reports on Power Sector*

RBSA VALUATION ADVISORS LLP *

7. Overview of Power Grid Corporation of India Limited



Key Statistics #		
Transmission	**Consultancy**	**Telecom**
• Pan-India power transmission network comprising of 168,140 ckm of transmission lines with 252 substations. • Aggregate transformation capacity of 420,630 MVA. • Transmission system consistently maintained at an availability of more than 99.70%.	• Providing transmission and distribution related consultancy services to domestic and international clients • Global footprints in 21 countries spread across Asia, Africa, and Middle East.	• Established a pan-India broadband telecom network of about 67,000 kms. • Reliability of Telecom Network 99.95%.

#- include Tariff Based Competitive Bidding elements

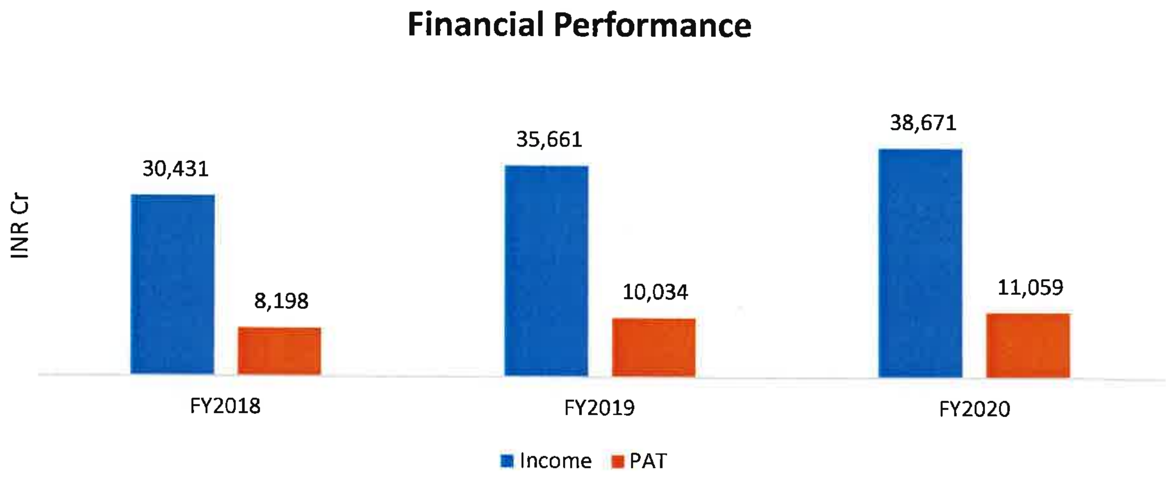
Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP
RM.

Operational Performance

POWERGRID has maintained a healthy availability of above 99.70% over the last four years which bodes well for POWERGRID making it eligible for incentive.

Financial Performance – Consolidated



Source: Annual Reports of POWERGRID

POWERGRID witnessed a steady increase in its Income over last three years. The PAT Margins have increased from ~26.9% in FY2018 to ~28.6% in FY2020.

Diversification

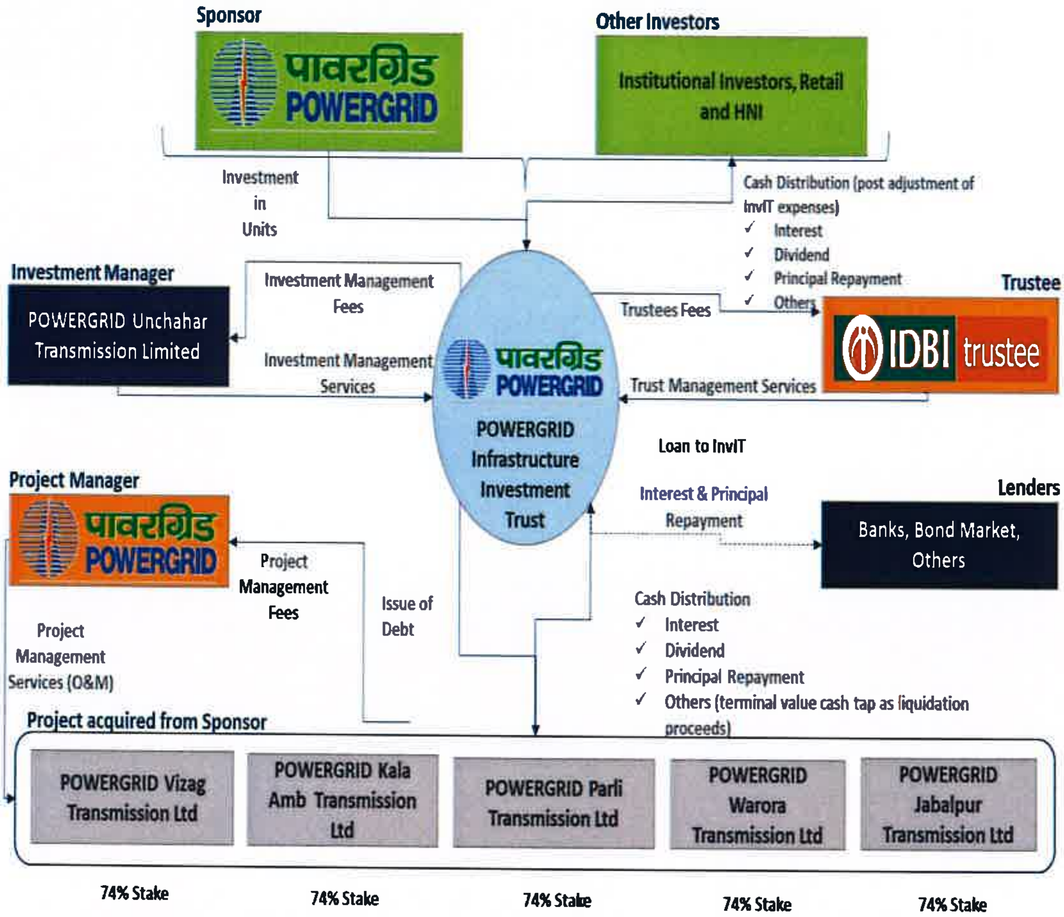
- Consultancy (Domestic and International)
- Telecommunications business using existing Transmission Assets.

National Transmission Dominance

- Operates ≈ 85% of Inter-State / Inter-Regional networks
- National Transmission Asset Management Centre, Manesar / Regional Transmission Asset Management Centre carrying out management of company's operating assets through state-of-the-art technology.

RBSA VALUATION ADVISORS LLP

8. Proposed structure of POWERGRID Infrastructure Investment Trust



Source: Information provided by the Management

Proposed Acquisition of stake in the Specified SPVs by the Trust

SPV	Date of Commercial Operations (COD)	Sponsor Holding	Equity Stake proposed to be acquired by the Trust prior to Listing	Residual Equity Stake	Date of acquiring 100% Equity stake in SPV
PVTL	01-Feb-2017	100%	74.00%	26.00%	01-Feb-22
PKATL	12-Jul-17	100%	74.00%	26.00%	12-Jul-22
PPTL	04-Jun-18	100%	74.00%	26.00%	04-Jun-23
PWTL	10-Jul-18	100%	74.00%	26.00%	10-Jul-23
PJTL	01-Jan-19	100%	74.00%	26.00%	01-Jan-24

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

9. Valuation Approach and Methodology

VALUATION APPROACHES		
INCOME APPROACH	MARKET APPROACH	ASSET APPROACH
Estimates value based on the present value of future earnings of cash	Estimates value based on the multiples of comparable companies and precedent comparable transactions	Estimates value based on the fair value of the business' assets less the fair value of its liabilities
Applied	Not applied	Not Applied

Basis and Methodology of Valuation

- **Valuation Base**

  Valuation Base means the indication of the type of value being used in an engagement. In the present case, we have estimated fair value of the Specified SPVs. Fair Value as per ICAI VS defined as under:

  "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."

- **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 *inter-alia* due to changes in the condition of the asset to be valued and market parameters. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

  The Valuation Date considered for the fair valuation of the Specified SPVs is 31st December 2020 ("Valuation Date"). The attached Report is drawn up by reference to accounting and financial information as on 31st December 2020.

RBSA VALUATION ADVISORS LLP

- **Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, we have determined the fair enterprise value of the Specified SPVs on a Going Concern Value defined as under:

"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".

Approach & Method	Applied	Description	Rationale
Income Approach → Discounted Cash Flow Method (DCF)	✓	▪ In the DCF method under the Income approach, forecast cash flows are discounted back to the Valuation date, estimating a net present value of the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation date to give an overall value for the business. ▪ A discounted cash flow methodology typically requires the forecast period to be of such a length to enable the business to achieve a stabilized level of earnings, or to be reflective of an entire operation cycle for more cyclical industries. ▪ The rate at which the future cash flows are discounted (the "discount rate") should reflect not only the time value of money, but also the risk associated with the business' future operations. The discount rate most generally employed is Weighted Average Cost of Capital ("WACC") or Cost of Equity (Ke), reflecting an optimal as opposed to actual financing structure.	• Management has provided financial projections of the Specified SPVs for the balance tenor of the TSA. Hence, we have adopted the DCF method to estimate the value of the Specified SPVs.
Market Approach → Market Price Method	✘	▪ Under this method, the value of a company is arrived at considering its market price over an appropriate period.	▪ As the Specified SPVs are not listed, this method is not applied.

RBSA VALUATION ADVISORS LLP RU.

Approach & Method	Applied	Description	Rationale
Market Approach → Comparable Companies Multiples (CCM) Method	✗	▪ Under Comparable Companies Method, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. Although no two companies are entirely alike, the companies selected as comparable companies should be engaged in the same or a similar line of business as the subject Company. ▪ The appropriate multiple is generally based on the performance of listed companies with similar business models and size.	▪ The only comparable listed peer available was POWERGRID which operates in the Transmission industry. The Specified SPVs are operational and do not have project implementation risk. Further, the projected income and cash flows of the Specified SPVs primarily depend on the key terms of the respective TSAs, residual tenor, project-specific characteristics/ factors, etc. which may differ from the other projects. Accordingly, this method is not adopted.
Market Approach → Comparable Transaction Multiples (CTM) Method	✗	▪ Under Comparable Transaction Multiples Method, the value of shares /business of a Company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject Company. ▪ Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration is given to the specific characteristics of the business being valued.	▪ The projected income and cash flows of the Specified SPVs primarily depend on the key terms of the respective TSAs, residual tenor, project-specific characteristics/ factors, etc. which may differ from the other projects. We have not adopted this methodology due to unavailability of information in public domain involving recent transactions in similar projects.
Asset based Approach: → Adjusted Net Asset Value Method	✗	▪ Under the Adjusted Net Asset Value Method, a Valuation of a 'going concern' business is computed by adjusting the assets and liabilities to the fair market value as of the date of the Valuation.	▪ The Specified SPVs have entered into TSA and their revenues are largely predetermined for the residual period of the TSA. In such a

RBSA VALUATION ADVISORS LLP RM

Approach & Method	Applied	Description	Rationale
		▪ A net asset value methodology is typically most appropriate when: ▪ Valuing a holding Company or a capital-intensive Company. ▪ Losses are continually generated by the business; or ▪ Valuation methodologies based on a Company's net income or cash flow levels indicate a value lower than its adjusted net asset value.	scenario, the true worth of the business is reflected in its future earning capacity rather than the historical cost of the project. The valuation of the Specified SPVs is carried out on a 'going concern' premise. Since the Net Asset value does not capture the future earning potential of the businesses, we have not adopted the Asset approach for the valuation of the Specified SPVs.

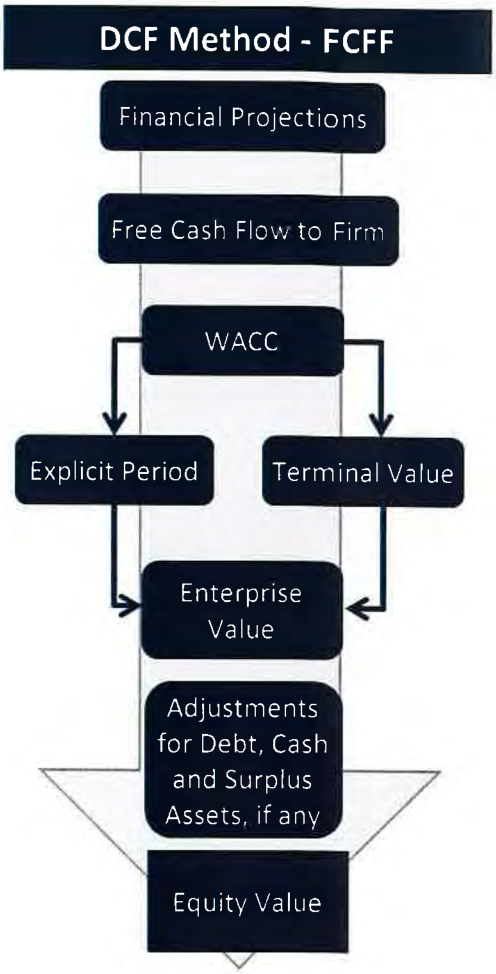
RBSA VALUATION ADVISORS LLP

Income Approach

The Income Approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by a company in the past as well as its future earning capability.

Discounted Cash Flow ("DCF") Method

- 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 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 or the exit multiple method" is applied to arrive at the present value of terminal value.
- Enterprise Value ("EV") is derived by aggregating the present value of explicit period and terminal value. EV is further reduced by the value of debt, if any, (net of cash and cash equivalents), adding surplus assets and considering other adjustments as appropriate to arrive at equity value to the equity shareholders.
- Free Cash Flows to Firm ("FCFF") under the DCF method has been applied to value the equity shares of the Specified SPVs.
- In FCFF, free cash flows available to a SPV over the forecast period are discounted by an appropriate WACC to derive the net present value.
- The Enterprise Value of the Specified SPVs have been determined as an aggregate of the present value of cashflows over explicit period and terminal value.
- The Enterprise Value of the Specified SPVs have been adjusted *inter-alia* for the following as at the Valuation Date to arrive at the Equity value:
    - Debt Outstanding
    - Cash and Cash Equivalent
    - Fair value of Contingent Assets and Liabilities, if any.



RBSA VALUATION ADVISORS LLP

The Enterprise Value and Equity Value of the Specified SPVs have been estimated using the DCF method under the Income Approach by taking into account the following considerations:

- We have considered and relied on the Management Projections provided by the Investment Manager for estimating the Enterprise and Equity Value.
- The forecast period in case of the Specified SPVs is based on the residual term of the respective TSAs as of the Valuation Date.
- We understand from the Management that the ownership of the project assets shall remain with the Specified SPVs after completion of the term of the TSA and that the project assets will continue to have economic utility beyond the term of the TSA. Considering the aforementioned, terminal Value at the end of the forecast period has been estimated based on the projected annualized revenue and EBITDA margins in the last forecast year and assuming a long-term growth rate of 0% and maintainable capital expenditure equal to the annual depreciation during the forecast period.
- Free Cash flow in forecast period and terminal value have been discounted using the appropriate weighted average cost of capital (WACC)

Weighted Average Cost of Capital (WACC)

In order to determine the discount rate for estimating the present value of free cash flows, we have computed the WACC using the methodology as set out below:

Particulars	Definition/Formula
WACC	Ke * (E/(D + E)) + Kd * (1-T) * (D/(D + E))
Where:	
Ke	cost of equity
E	market value of equity
Kd	cost of debt
D	market value of debt
T	Effective tax rate

The cost of equity is derived using the Capital Asset Pricing Model ("CAPM") as follows:

Particulars	Definition/Formula
Ke	Rf + ß * (Rm – Rf) + α
Where:	
Rf	the current return on risk-free assets
Rm	the expected average return of the market
(Rm – Rf)	the average risk premium above the risk – free rate that a "market" portfolio of assets is earning
ß	the beta factor, being the measure of the systematic risk of a particular asset relative to the risk of a portfolio of all risky assets
α	Company specific risk factor (alpha)

RBSA VALUATION ADVISORS LLP

A summary of WACC for the Specified SPVs is appended as per **Appendix 1**.

10. Valuation of the Specified SPVs

10.1. POWERGRID Vizag Transmission Limited (PVTL)

10.1.1. Company Profile

- POWERGRID Vizag Transmission Limited ("PVTL") was incorporated on 30th November 2011. Vizag Transmission Limited (erstwhile name of PVTL) entered into a transmission service agreement dated 14th May 2013 with its Long-Term Transmission Customers ("LTTCs") (the "PVTL TSA") to strengthen transmission system in the southern region of India for import of power from the eastern region of India, on a Build Operate Own Maintain ("BOOM") basis.

Summary of PVTL project is as under:

Parameters	Details
Gross Block as on 31st December 2020	INR 13,097.9 Mn.
Total Length	956.84 ckm
TSA Date	14th May 2013
Scheduled COD	4th September 2016
Project COD	1st February 2017
Expiry Date	35 years from project COD
POWERGRID's shareholding	100%

Source: Information provided by the Management

- The project was awarded on 31st July 2013, through the TBCB mechanism, for a 35-year period from the Scheduled COD (as extended pursuant to the letter issued by TANGEDCO dated 27th September 2017), i.e., 1st February 2017. PVTL was granted a transmission license by the CERC on 8th January 2014.

- Subsequently, PVTL entered into a TSA dated 21st November 2015 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the regional power committee ("RPCs"), and a revenue sharing agreement dated 21st November 2015 with the CTU.

- PVTL operates two transmission lines of 956.84 ckm comprising one 765 kV double circuit line of approximately 668 ckm from Srikakulam (Andhra Pradesh) to Vemagiri (Andhra Pradesh) and one 400 kV double circuit line of 288.84 ckm from Khammam (Telangana) to Nagarjuna Sagar (Andhra Pradesh)

- As of 31st December 2020, the Gross Block of Property, Plant and Equipment (including Intangibles) was INR 13,097.9 Mn.

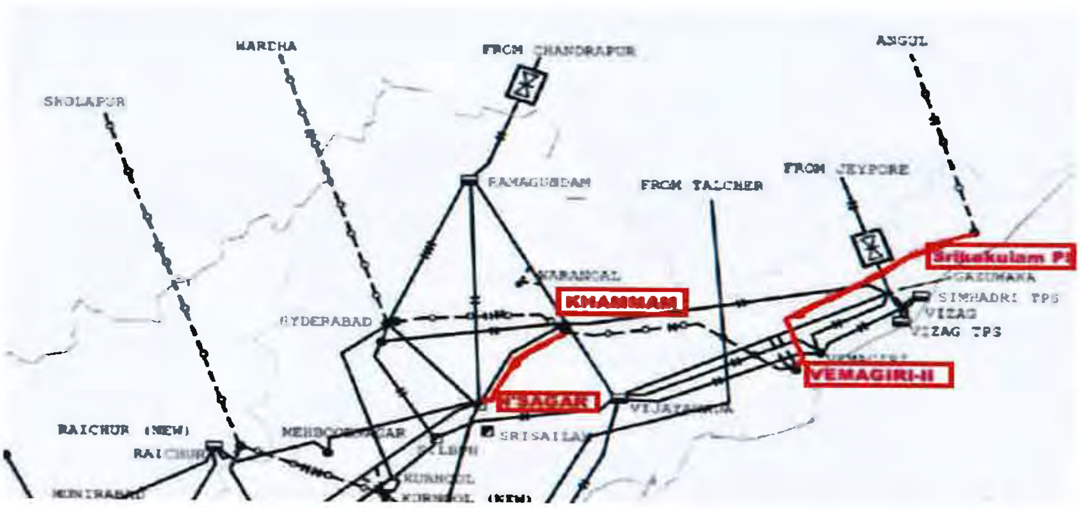
RBSA VALUATION ADVISORS LLP *
R.M.

- All the elements have been successfully charged and Date of Commercial Operation (DOCO) declared as per details below:

Transmission lines (including any stations/ substations)	Location	Route length/MVA (in ckm)	Specifications	DOCO	Contribution to total transmission charges
Khammam (Existing) – Nagarjuna Sagar	Andhra Pradesh and Telangana	288.84	400 kV D/C	3rd January 2016	15.25%
Srikakulam PP – Vemagiri-II Pooling Station	Andhra Pradesh	668	765 kV D/C	1st February 2017	84.75%

Source: Information provided by the Management

GRID Map of "System Strengthening in Southern region for Import of power from Eastern Region".



Source: Information provided by the Management

Historical Operating Efficiency of PVTL:

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

10.1.2. Projected Financial Statements

The projected financial statements for the forecast period until 31st January 2052, when 35 years from the COD end, have been provided by the Investment Manager for the valuation. Key assumptions considered by the Management in financial projections are as follows:

1. **Transmission Revenue** – Transmission revenue of PVTL is provided in the TSA for the life of the project. It comprises non-escalable transmission revenue and escalable transmission revenue as follows:

    a. **Non-Escalable Transmission Revenue –** It remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the Management in the financial projections with the TSA of PVTL.

    b. **Escalable Transmission Revenue –** It is the revenue component where revenue is escalated each year based on the escalation index which is computed as per the annualised escalation rate notified by the CERC every 6 months. This escalation is done mainly to compensate PVTL for inflation. Management Projections considers a constant escalation rate of 4.32% for the forecast period based on the past 5-year rates as notified by the CERC.

2. **Incentive –** As per the TSA, if the availability in a contract year exceeds the target availability of 98%, PVTL shall be entitled to an annual incentive as follows:

    Incentive = 0.02 X Annual Transmission Charges X (Actual Annual Availability - Target Availability)

    No incentive shall be payable above the availability of 99.75%. Management expects the annual availability for PVTL at or above 99.75% during the forecast period.

3. **Penalty –** If the availability in any contract year falls below 95%, PVTL shall be penalised as per the TSA. As represented to us by the Management, the availability in any contract year shall not fall below 95% during the forecast period and thus the penalty has not been considered in the financial projections.

4. **Operations & Maintenance ("O&M") Expenses –** O&M expenses for PVTL has been estimated by the Management post the transfer to PGInvIT at INR 35.2 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per O&M Agreement and Management estimates. We have relied on the projections provided by the Management.

5. **Project Management ("PM") Expenses –** Project Management expenses for PVTL has been estimated by the Management post the transfer to PGInvIT at INR 5.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per Project Implementation and Management Agreement. We have relied on the projections provided by the Management.

RBSA VALUATION ADVISORS LLP

6. **License fees** – Annual License fee has been estimated by the Management for the forecast period at 0.11% of Annual Transmission Charges as provided under the CERC regulations.

7. **Insurance Expenses** – Insurance expenses for PVTL has been estimated by the Management (based on the insurance policy obtained from the insurer) post the transfer to PGInvIT at INR 39.2 Mn annually. Insurance expenses are expected to remain constant throughout the life of the project.

8. **Key Managerial Personnel Expenses** – Key Managerial Personnel Expenses for PVTL have been estimated by the Management post the transfer to PGInvIT at INR 5.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

9. **System and Market Operation Charges** – System and Market Operation Charges for PVTL has been estimated by the Management post the transfer to PGInvIT at INR 3.7 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

10. **Audit Expenses** – Audit Expenses for PVTL has been estimated by the Management post the transfer to PGInvIT at INR 0.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

11. **Other Administrative Expenses and Other Expenses** – Other Administrative Expenses and Other Expenses for PVTL has been estimated by the Management post the transfer to PGInvIT at INR 1.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

12. **Breakdown Contingencies** – The Management has estimated that INR 0.5 Mn per annum shall be spent with respect to breakdown contingencies for PVTL during the forecast period.

13. **CSR Expense** – As per the provisions of Section 135 of the Companies Act 2013, CSR Expense of 2% of the average profits in the past 3 years for PVTL has been considered.

14. **Depreciation** – Effective from 1st April 2020, depreciation is being calculated using Straight Line Method over the life of the project considering a salvage value of 5% as per the Companies Act, 2013. Prior to 1st April 2020, the book depreciation was charged as per CERC regulations. For calculating depreciation as per Income Tax Act for the projected period, depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by PVTL have been considered. PVTL is expected to incur certain maintenance capital expenditure during the forecast period. The effect of the same has been considered while computing both book and income tax depreciation.

15. **Tax Rates** – PVTL shall pay taxes as follows over the forecast period:

Regime	Period	Tax Rate	Effective Tax Rate #
Old Regime	Till FY2043	29.12%	18.43%
New Regime	FY2044 onwards	25.17%	

 # estimated after considering inter-alia the tax holiday period

RBSA VALUATION ADVISORS LLP

16. **Tax Incentive** – PVTL is eligible for tax holiday under section 80IA of Income Tax Act. Such tax holiday shall be available for any 10 consecutive years out of 15 years beginning from the date of COD. For PVTL, the tax holiday benefit shall be claimed as follows:

Element	Tax Holiday period
Khammam (Existing) – Nagarjuna Sagar	FY2020-21 to FY2029-30
Srikakulam PP – Vemagiri-II Pooling Station	FY2021-22 to FY2030-31

17. **Working Capital –** The Management have envisaged the working capital requirement of PVTL for the forecast period. The major operating working capital assumptions are as follows:

    a. **Trade Receivables days –** 45 days
    b. **Unbilled Revenue days –** 31 days

18. **Debt –** The borrowings as of 31st December 2020 of PVTL shall be refinanced by PGInvIT.

19. **Capital Expenditure** – The Management has estimated capital expenditure to be incurred over the forecast period for PVTL. We have relied on the projections provided by the Management.

20. **Contingent Liabilities** – The Management represented that the future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of Specified SPVs to PGInvIT shall be borne by POWERGRID. Hence the impact of the same is not considered for the valuation.

10.1.3. Valuation

- The Enterprise Value of PVTL has been estimated adopting the DCF method under the Income Approach by taking into account the following considerations:

  - We have considered and relied on the projected financial statements provided by the Investment Manager for estimating the Enterprise and Equity Value.

  - The forecast period in case of PVTL is based on the completion of 35 years from COD which is from 1st January 2021 to 31st January 2052.

  - Weighted Average Cost of Capital (WACC): Refer **Appendix 1**

  - DCF Analysis: Refer **Appendix 3**

RBSA VALUATION ADVISORS LLP

RM.

Valuation Summary

Valuation Date	31-Dec-20

Amount in INR Mn.

Approaches	Method	Enterprise Value	Equity Value
Income Approach	DCF	23,136.1	15,313.8
Number of equity shares			209,730,000
Value per equity share (INR)			73.0

10.1.4. Additional Procedures to be complied with in accordance with InvIT regulations.

Scope of Work

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

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

Limitations

- This Report is based on the information provided by the Management. The exercise has been restricted and kept limited to and based entirely on the information provided to us by the Management. We have completely relied on the information provided by the Management and have assumed that the information provided by the Management is accurate and complete in all material respects.
- We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- We have assumed that the documents provided to us by the Management in connection with any particular issue are the only documents related to such issue.
- We have analysed the information provided by the Management from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for SPVs

A. <u>List of one-time sanctions/approvals which are obtained or pending:</u>
The list of sanctions/ approvals obtained by PVTL till 31st December 2020 is provided in **Appendix 8.**

RBSA VALUATION ADVISORS LLP
RM.

B. List of up to date/ overdue periodic clearances:
We have included the periodic clearances obtained by PVTL in **Appendix 8.**

C. Statement of assets included:
For the details of asset of PVTL as of 31st December 2020 are provided in **Appendix 13.**

D. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:
We understand from the Management that no major repairs and improvements of the assets have been performed till date. Also, PVTL does not plan to perform any major repairs and improvements during the life of the project. However, PVTL incurs regular annual maintenance charges of Transmission Lines. The historical as well as projected operation and maintenance charges for the life the project along with the projected inflation rate is as follows:

Amount in INR Mn

Name of the SPV	O&M Expenses							Annual Inflation Rate (FY 22-FY52)
	FY2017	FY2018	FY2019	FY2020	April - December 2020	January - March 2021	FY2022	
PVTL	12.1	44.3	47.0	49.5	29.3	8.8	36.4	3.51%

Source: Information provided by the Management

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges if any.
The Management has informed that there are no dues including local authority taxes pending to be payable to the Government authorities except as disclosed in the audited financial statements and information provided as per point F below.

F. On-going material litigations including tax disputes in relation to the assets, if any:
The list of on-going material litigations including tax disputes in relation to PVTL are provided in **Appendix 18**.

G. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.
Management has confirmed that there are no such natural or induced hazards which have not been considered in town planning/ building control.

H. Latest Pictures of the project along with date of physical inspection
Please refer **Appendix 22**

RBSA VALUATION ADVISORS LLP *

10.2. POWERGRID Kala Amb Transmission Limited (PKATL)

10.2.1. Company Profile

- POWERGRID Kala Amb Transmission Limited (PKATL) was incorporated on 29th July 2013. NRSS XXXI (A) Transmission Limited (erstwhile name of PKATL) entered into a transmission service agreement dated 2nd January 2014 with its LTTCs (the "PKATL TSA") for transmission of electricity for transmission system for Northern Region System Strengthening Scheme NRSS- XXXI (Part A) on a BOOM basis.

  Summary details of PKATL Project are as under:

Parameters	Details
Gross Block as on 31st December 2020	INR 3,214.0 Mn.
Total Length	2.47 ckm
TSA Date	2nd January 2014
Scheduled COD	12th July 2017
Expiry Date	35 years from scheduled COD
Project COD	12th July 2017
POWERGRID's shareholding	100%

Source: Information provided by the Management

- The project was awarded on 26th February 2014, through the TBCB mechanism, for a 35-year period from the Scheduled COD, i.e., 12th July 2017. PKATL was granted transmission license by the CERC on 4th September 2014.

- Subsequently, PKATL entered into a TSA dated 18th October 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated 18th October 2016 with the CTU. In addition, PKATL is in the process of installing a 1x125 MVAr, 420 kV bus reactor at Kala Amb, as part of the NRSS-XL scheme, through the RTM.

- PKATL operates one transmission line of 2.47 ckm comprising LILO of Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers). In addition, the project includes one 400/220 kV substation of an aggregate capacity of 630 MVA in Kala Amb (Himachal Pradesh), and 40% series compensation on 400 kV D/C line from Karcham Wangtoo (Himachal Pradesh) to Kala Amb (Himachal Pradesh).

- As of 31st December 2020, the Gross Block of Property, Plant and Equipment (including Intangibles) was INR 3,214.0 Mn.

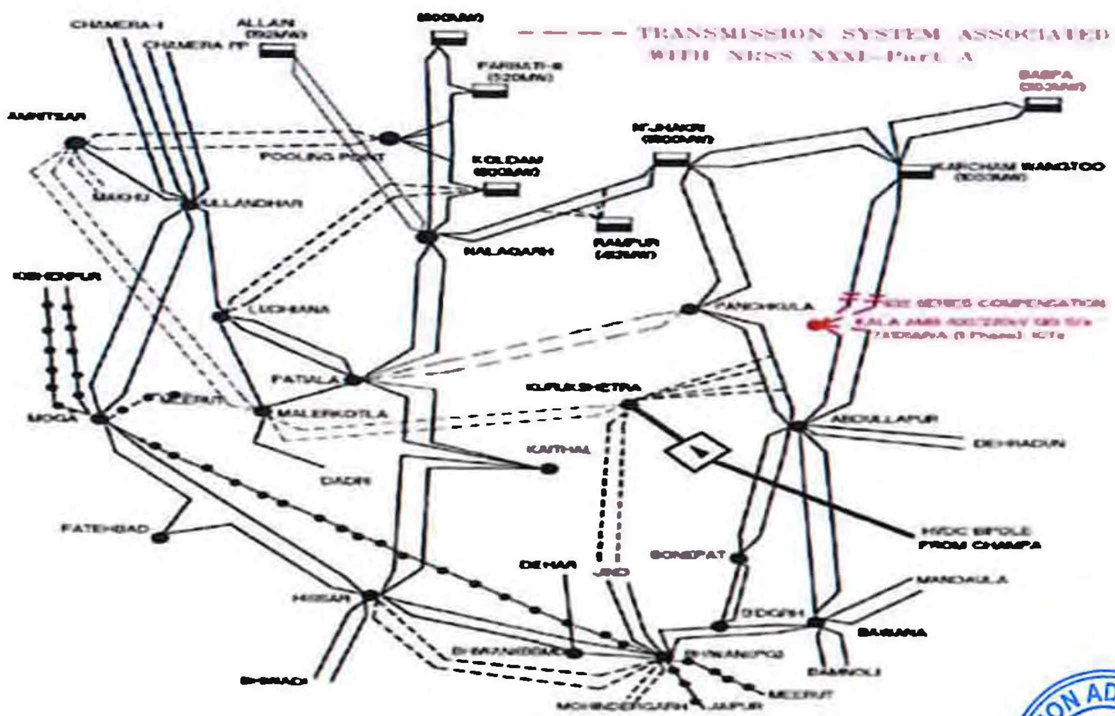
RBSA VALUATION ADVISORS LLP *

- All the elements have been successfully charged and Date of Commercial Operation (DOCO) declared as per details below:

Transmission lines (including any stations/ substations)	Location	Route length/MVA (in ckm)	Specifications	DOCO	Contribution to total transmission charges
LILO of Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers)	Himachal Pradesh	2.47 ckm	400 kV D/C	12th July 2017	84.50%
400/220 kV GIS substation at Kala Amb	Himachal Pradesh	630 MVA	400 kV and 220 kV substation	12th July 2017	
40% Series compensation on 400 kV Karcham Wangtoo – Kala Amb (Quad) D/C line at Kala Amb ends	Himachal Pradesh	-	40% series compensation on 400 kV	12th July 2017	15.50%

Source: Information provided by the Management

GRID Map of "Northern Region System Strengthening Scheme, NRSS-XXXI (Part A)



Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP
RM

Historical Operating Efficiency of PKATL:

Source: Information provided by the Management

10.2.2. Projected Financial Statements

The projected financial statements for the forecast period until 11th July 2052, when 35 years from the COD end, have been provided by the Investment Manager for the valuation. Key assumptions considered by the Management in financial projections are as follows:

1. **Transmission Revenue –** Transmission revenue of PKATL is provided in the TSA for the life of the project. It comprises of only non escalable transmission revenue as follows:
   a. **Non-Escalable Transmission Revenue –** It remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the Management in the financial projections with the TSA of PKATL.

2. **Incentive –** As per the TSA, if the availability in a contract year exceeds the target availability of 98%, PKATL shall be entitled to an annual incentive as follows:

   Incentive = 0.02 X Annual Transmission Charges X (Actual Annual Availability - Target Availability)

   No incentive shall be payable above the availability of 99.75%. Management expects the annual availability for PKATL at or above 99.75% during the forecast period.

3. **Penalty –** If the availability in any contract year falls below 95%, PKATL shall be penalised as per the TSA. As represented to us by the Management, the availability in any contract year shall not fall below 95% during the forecast period and thus the penalty has not been considered in the financial projections.

4. **Operations & Maintenance ("O&M") Expenses –** O&M expenditure for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 53.5 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per O&M Agreement and Management estimates. We have relied on the projections provided by the Management.

5. **Project Management ("PM") Expenses** – PM expenditure for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 6.6 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per Project Implementation and Management Agreement. We have relied on the projections provided by the Management.

6. **License fees** – Annual License fee has been estimated by the Management for the forecast period at 0.11% of Annual Transmission Charges as provided under the CERC regulations.

7. **Insurance Expenses** – Insurance expenses for PKATL has been estimated by the Management (based on the insurance policy obtained from insurer) post the transfer to PGInvIT as INR 8.1 Mn annually. Insurance expenses are expected to be constant throughout the life of the project.

8. **Key Managerial Personnel Expenses** – Key Managerial Personnel Expenses for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 5.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

9. **System and Market Operation Charges** – System and Market Operation Charges for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 0.02 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

10. **Audit Expenses** – Audit Expenses for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 0.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

11. **Other Administrative Expenses and Other Expenses** – Other Administrative Expenses and Other Expenses for PKATL has been estimated by the Management post the transfer to PGInvIT as INR 1.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

12. **Breakdown Contingencies** – The Management has estimated that an amount of INR 0.5 Mn per annum shall be spent with respect to breakdown contingencies for PKATL during the forecast period.

13. **CSR Expense** – As per the provisions of Section 135 of the Companies Act 2013, a CSR Expense of 2% of the average profits for the past 3 years for PKATL has been considered.

14. **Depreciation** – Effective from 1st April 2020, depreciation is being calculated using Straight Line Method over the life of the project considering a salvage value of 5% as per the Companies Act, 2013. Prior to 1st April 2020, the book depreciation was charged as per CERC regulations. For calculating depreciation as per Income Tax Act for the projected period, depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by PKATL have been considered. PKATL is expected to incur certain maintenance capital

RBSA VALUATION ADVISORS LLP
RN.

expenditure during the forecast period. The effect of the same has been considered while computing both book and income tax depreciation.

15. **Tax Rates –** PKATL shall pay taxes under the new regime at the rate of 25.17% throughout the forecast period. The effective tax rate throughout the forecast period shall be 23.55%

16. **Working Capital –** The Management have envisaged the working capital requirement of PKATL for the forecast period. The major operating working capital assumptions are as follows:

    a. **Trade Receivables days –** 45 days
    b. **Unbilled Revenue days –** 31 days

17. **Debt –** The borrowings as of 31st December 2020 for PKATL shall be refinanced by the PGInvIT.

18. **Capital Expenditure –** The Management has provided us estimated capital expenditure to be incurred over the forecast period for PKATL. We have relied on the projections provided by the Management.

19. **Contingent Liabilities –** The Management represented that the future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of Specified SPVs to PGInvIT shall be borne by POWERGRID. Hence the impact of the same is not considered for the valuation.

10.2.3. Valuation

- The Enterprise Value of PKATL has been estimated using the DCF method under the Income Approach by taking into account the following considerations:
    - We have considered and relied on the projected financial statements provided by the Investment Manager for estimating the Enterprise and Equity Value.
    - The forecast period in case of PKATL is based on the completion of 35 years from COD which is from 1st January 2021 to 11th July 2052.
    - Weighted Average Cost of Capital (WACC): Refer **Appendix 1**
    - DCF Analysis: Refer **Appendix 4**

RBSA VALUATION ADVISORS LLP RU.

Valuation Summary

Valuation Date	31-Dec-20

Amount in INR Mn.

Approaches	Method	Enterprise Value	Equity Value
Income Approach	DCF	4,535.2	2,679.5
Number of equity shares			61,000,000
Value per equity share (INR)			43.9

10.2.4. Additional Procedures to be complied with in accordance with InvIT regulations.

Scope of Work

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

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

Limitations

- This Report is based on the information provided by the Management. The exercise has been restricted and kept limited to and based entirely on the information provided to us by the Management. We have completely relied on the information provided by the Management and have assumed that the information provided by the Management is accurate and complete in all material respects.
- We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- We have assumed that the documents provided to us by the Management in connection with any particular issue are the only documents related to such issue.
- We have analysed the information provided by the Management from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

RBSA VALUATION ADVISORS LLP

Analysis of Additional Set of Disclosures for PKATL

A. <u>List of one-time sanctions/approvals which are obtained or pending:</u>
The list of sanctions/ approvals obtained by the PKATL till 31st December 2020 is provided in **Appendix 9**.

B. List of up to date/ overdue periodic clearances:
We have included the periodic clearances obtained by PKATL in **Appendix 9**.

C. Statement of assets included:
For the details of asset of PKATL as of 31st December 2020 are provided in **Appendix 14**.

D. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:
No major repairs and improvements of the assets have been performed till date. Also, PKATL does not plan to perform any major repairs and improvements during the life of the project. However, PKATL incurs regular annual maintenance charges of Transmission Lines. The historical as well as projected operation and maintenance charges for the life the project along with the projected inflation rate is provided as follows:

Amount in INR Mn

Name of the SPV	O&M Charges					Annual Inflation Rate (FY22-FY53)
	FY2019	FY2020	April - December 2020	January - March 2021	FY2022	
PKATL	67.3	69.2	32.1	13.4	55.4	3.51%

Source: Information provided by the Management

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges if any.
The Management has informed that there are no dues including local authority taxes pending to be payable to the Government authorities except as disclosed in the audited financial statements and information provided as per point F below.

F. On-going material litigations including tax disputes in relation to the assets if any.
There are no on-going material litigations including tax disputes in relation to PKATL.

G. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.
Management has confirmed that there are no such natural or induced hazards which have not been considered in town planning/ building control.

H. Latest Pictures of the project along with date of Inspection
Please refer **Appendix 23**

RBSA VALUATION ADVISORS LLP
RM

10.3. POWERGRID Parli Transmission Limited (PPTL)

10.3.1. Company Profile

- POWERGRID Parli Transmission Limited (PPTL) was incorporated on 30th July 2014. Gadarwara (B) Transmission Limited (erstwhile name of PPTL) entered into a transmission service agreement dated 9th February 2015 with its LTTCs (the "PPTL TSA") for the transmission system associated with Gadarwara STPS (2x800 MW) of NTPC (Part-B) on a BOOM basis.

  Summary of details of the Project are as follows:

Parameters	Details
Gross Block as on 31st December 2020	INR 18,462.7 Mn.
Total Length	966.12 ckm
TSA Date	9th February 2015
Scheduled COD	31st January 2018
Project COD	4th June 2018
Expiry Date	35 years from the project COD
POWERGRID's shareholding	100%

Source: Information provided by the Management

- The project was awarded on 11th March 2015, through the TBCB mechanism, for a 35 years' period from the Scheduled COD (as extended pursuant to a supplementary transmission services agreement dated 18th June 2019), i.e., 4th June 2018. PPTL was granted transmission license by CERC on 10th July 2015.

- Subsequently, PPTL entered into a TSA dated 5th July 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated 5th July 2016 with the CTU.

- PPTL operates three transmission lines of 966.12 ckm comprising one 765 kV double circuit line of 693.70 ckm from Warora (Maharashtra) to Parli (Maharashtra), one 765 kV double circuit line of 235.92 ckm from Parli (Maharashtra) to Solapur (Maharashtra), and one 400 kV double circuit line of 36.50 ckm from Parli (New) (Maharashtra) to Parli (PG) (Maharashtra). In addition, the project includes one 765/400 kV substation of an aggregate capacity of 3,000 MVA in Parli (Maharashtra).

- As of 31st December 2020, the Gross Block of Property, Plant and Equipment (including Intangibles) was INR 18,462.7 Mn.

RBSA VALUATION ADVISORS LLP *

- All the elements have been successfully charged and Date of Commercial Operation (DOCO) declared as per details below:

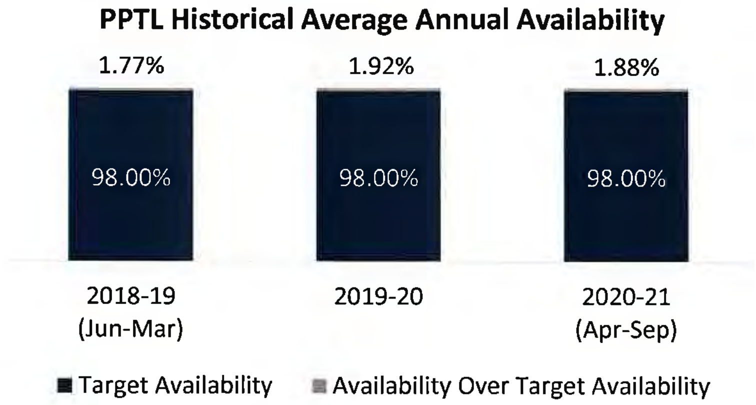
Transmission lines (including any stations/ substations)	Location	Route length/MVA (in ckm)	Specifications	DOCO	Contribution to total transmission charges
Parli (New) – Solapur	Maharashtra	235.92 ckm	765 kV D/C	27th April 2018	43%
Parli (New) – Parli (PG)	Maharashtra	36.50 ckm	400 kV D/C	27th April 2018	
Establishment of 2x1500 MVA, Parli (New) S/S	Maharashtra	3000 MVA	765/400 kV substation	27th April 2018	
Warora (Pooling Station) – Parli (New)	Maharashtra	693.70 ckm	765 kV D/C	4th June 2018	57%

Source: Information provided by the Management

GRID Map of "Transmission System Associated with Gadarwara of NTCP Part-B"

Source: Information provided by the Management

Historical Operating Efficiency of PPTL:



Source: Information provided by the Management

10.3.2. Projected Financial Statements

The projected financial statements for the forecast period until 3rd June 2053, when 35 years from the COD end, have been provided by the Investment Manager for the valuation. Key assumptions considered by the Management in financial projections are as follows:

1. **Transmission Revenue –** Transmission revenue of PPTL is provided in the TSA for the life of the project. It comprises of only non escalable transmission revenue as follows:
    a. **Non-Escalable Transmission Revenue –** It remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the Management in the financial projections with the TSA of PPTL.

2. **Incentive –** As per the TSA, if the availability in a contract year exceeds the target availability of 98%, PPTL shall be entitled to an annual incentive as follows:

    Incentive = 0.02 X Annual Transmission Charges X (Actual Annual Availability - Target Availability)

    No incentive shall be payable above the availability of 99.75%. As represented to us by the management, the annual availability shall be at or above 99.75% in case of PPTL during the forecast period.

3. **Penalty –** If the availability in any contract year falls below 95%, PPTL shall be penalised as per the TSA. As represented to us by the Management, the availability in any contract year shall not fall below 95% during the forecast period and thus the penalty has not been considered in the financial projections.

4. **Operations & Maintenance ("O&M") Expenses –** O&M expenditure for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 99.7 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per O&M Agreement and Management estimates. We have relied on the projections provided by the Management.

RBSA VALUATION ADVISORS LLP
RM.

5. **Project Management ("PM") Expenses –** PM expenditure for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 12.9 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per Project Implementation and Management Agreement. We have relied on the projections provided by the Management.

6. **License fees –** Annual License fee has been estimated by the Management for the forecast period at 0.11% of Annual Transmission Charges as provided under the CERC regulations.

7. **Insurance Expenses** – Insurance expenses for PPTL has been estimated by the Management (based on the insurance policy obtained from insurer) post the transfer to PGInvIT as INR 51.3 Mn annually. These expenses shall be constant throughout the life of the project.

8. **Key Managerial Personnel Expenses –** Key Managerial Personnel Expenses for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 5.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

9. **System and Market Operation Charges –** System and Market Operation Charges for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 2.5 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

10. **Audit Expenses –** Audit Expenses for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 0.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

11. **Other Administrative Expenses and Other Expenses** – Other Administrative Expenses and Other Expenses for PPTL has been estimated by the Management post the transfer to PGInvIT as INR 1.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

12. **Breakdown Contingencies –** The Management has estimated that an amount of INR 0.5 Mn per annum shall be spent with respect to breakdown contingencies for PPTL during the forecast period.

13. **CSR Expense –** As per the provisions of Section 135 of the Companies Act 2013, a CSR Expense of 2% of the average profits for the past 3 years for PPTL has been considered.

14. **Depreciation –** Effective from 1st April 2020, depreciation is being calculated using Straight Line Method over the life of the project considering a salvage value of 5% as per the Companies Act, 2013. Prior to 1st April 2020, the book depreciation was charged as per CERC regulations. For calculating depreciation as per Income Tax Act for the projected period, depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by PPTL have been considered. PPTL is expected to incur certain maintenance capital expenditure during the forecast period. The effect of the same has been considered while computing both book and income tax depreciation.

RBSA VALUATION ADVISORS LLP

15. **Tax Rates** – PPTL shall pay taxes under the new regime at the rate of 25.17% throughout the forecast period. The effective tax rate throughout the forecast period shall be 22.18%

16. **Working Capital** – The Management have envisaged the working capital requirement of PPTL for the forecast period. The major operating working capital assumptions are as follows:

    a. **Trade Receivables days** – 45 days
    b. **Unbilled Revenue days** – 31 days

17. **Debt** – The borrowings as of 31st December 2020 for PPTL shall be refinanced by the PGInvIT.

18. **Capital Expenditure** – The Management has estimated capital expenditure to be incurred over the forecast period for PPTL. We have relied on the projections provided by the Management.

19. **Contingent Liabilities** – The Management represented that the future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of Specified SPVs to PGInvIT shall be borne by POWERGRID. Hence the impact of the same is not considered for the valuation.

20. **Contingent Assets** – PPTL has filed a petition before CERC claiming an amount of INR 715.4 Mn, due to Force Majeure and Change in Law, the final order of which is awaited. As per the Investment Manager, the expected inflow from contingent assets is to be passed to POWERGRID. This inflow of revenue shall either not be taxable in the hands of PPTL or shall be passed on net of taxes to POWERGRID. Hence, the impact of the same is not taken in the valuation.

10.3.3. Valuation

- The Enterprise Value of PPTL has been estimated using the DCF method under the Income Approach by taking into account the following considerations:

    - We have considered and relied on the projected financial statements provided by the Investment Manager for estimating the Enterprise and Equity Value.

    - The forecast period in case of PPTL is based on the completion of 35 years from COD which is from 1st January 2021 to 3rd June 2053.

    - Weighted Average Cost of Capital (WACC): Refer **Appendix 1**

    - DCF Analysis: Refer **Appendix 5**

RBSA VALUATION ADVISORS LLP
RM.

Valuation Summary

Valuation Date	31-Dec-20

Amount in INR Mn.

Approaches	Method	Enterprise Value	Equity Value
Income Approach	DCF	25,976.4	13,138.6
Number of equity shares			322,100,000
Value per equity share (INR)			40.8

In case of PPTL, POWERGRID has filed a petition with regard to an increased project cost due to the Change in Law claiming incremental transmission charges as per the TSA and relevant CERC regulations. The matter is under arbitration and the decision is pending.

We understand from the Management that the incremental transmission tariff expected to be received by PPTL in future owing to the change in law shall be passed on to the Sponsor (POWERGRID).

As per the petition filed by the Management, the increase in transmission charges claimed is as follows:

Amount in INR Mn

Particulars	PPTL
Increase in project cost on account of change in law	715.4
% increase in transmission charges	**3.03%** (0.313% x 715.4 Mn)/ 73.9 Mn

Year-wise incremental revenue claimed by the Management as per the petition filed based on the above-mentioned percentage is provided in **Appendix 2**.

10.3.4. Additional Procedures to be complied with in accordance with InvIT regulations.

Scope of Work

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

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

RBSA VALUATION ADVISORS LLP

- Latest Pictures of the project along with date of Inspection

Limitations

- This Report is based on the information provided by the Management. The exercise has been restricted and kept limited to and based entirely on the information provided to us by the Management. We have completely relied on the information provided by the Management and have assumed that the information provided by the Management is accurate and complete in all material respects.
- We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- We have assumed that the documents provided to us by the Management in connection with any particular issue are the only documents related to such issue.
- We have analysed the information provided by the Management the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for PPTL

A. List of one-time sanctions/approvals which are obtained or pending:
The list of sanctions/ approvals obtained by the PPTL till 31st December 2020 is provided in **Appendix 10**.

B. List of up to date/ overdue periodic clearances:
We have included the periodic clearances obtained by PPTL in **Appendix 10**.

C. Statement of assets included:
For the details of asset of PPTL as of 31st December 2020 are provided in **Appendix 15**.

D. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:
No major repairs and improvements of the assets have been performed till date. Also, PPTL does not plan to perform any major repairs and improvements during the life of the project. However, PPTL incurs regular annual maintenance charges of Transmission Lines. The historical as well as projected operation and maintenance charges for the life the project along with the projected inflation rate is provided as follows:

Amount in INR Mn

Name of the SPV	O&M Charges					Annual Inflation Rate (FY22-FY54)
	FY2019	FY2020	April - December 2020	January - March 2021	FY2022	
PPTL	65.9	93.3	71.6	24.9	103.2	3.51%

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP ★ RM.

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

The Management has informed that there are no dues including local authority taxes pending to be payable to the Government authorities except as disclosed in the audited financial statements and information provided as per point F below.

F. On-going material litigations including tax disputes in relation to the assets if any.
The list of on-going material litigations including tax disputes in relation to PPTL are provided in **Appendix 19**.

G. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.
Management has confirmed that there are no such natural or induced hazards which have not been considered in town planning/ building control.

H. Latest Pictures of the project along with date of Inspection
Please refer **Appendix 24**

RBSA VALUATION ADVISORS LLP

10.4. POWERGRID Warora Transmission Limited (PWTL)

10.4.1. Company Profile

- POWERGRID Warora Transmission Limited (PWTL) was incorporated on 5th August 2014. Gadarwara (A) Transco Limited (erstwhile name of PWTL) entered into a TSA dated 9th February 2015 with its LTTCs for transmission system services for transmission of electricity associated with Gadarwara STPS (2x800 MW) of NTPC (Part-A) on a BOOM basis.

  Summary of project details is as follows:

Parameters	Details
Gross Block as on 31st December 2020	INR 22,320.7 Mn.
Total Length	1028.11 ckm
TSA Date	9th February 2015
Scheduled COD	November 2017
Revised Scheduled COD	31st January 2018
Expiry Date	35 years from project COD
Project COD	10th July 2018
POWERGRID's shareholding	100%

Source: Information provided by the Management

- The project was awarded on 11th March 2015, through the TBCB mechanism, for a 35 years' period from the Scheduled COD (as extended pursuant to a supplementary transmission services agreement dated 11th September 2019), i.e., 10th July 2018. PWTL was granted transmission license by CERC on 5th August 2015.

- Subsequently, PWTL entered into a TSA dated 27th October 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated 27th October 2016 with the CTU.

- PWTL operates four transmission lines of 1,028.11 ckm comprising two 765 kV double circuit line of 204.47 ckm from Gadarwara (Madhya Pradesh) to Jabalpur (Madhya Pradesh), one 765 kV double circuit line of 627.35 ckm from Gadarwara (Madhya Pradesh) to Warora (Maharashtra), and one 400 kV double circuit line of 196.29 ckm from Wardha and Parli (Maharashtra) to Warora (Maharashtra). In addition, PWTL has established one 765/400 kV substation in Warora (Maharashtra).

- As of 31st December 2020, the Gross Block of Property, Plant and Equipment (including Intangibles) was INR 22,320.7 Mn.

RBSA VALUATION ADVISORS LLP RM.

- All the elements have been successfully charged and Date of Commercial Operation (DOCO) declared as per details below:

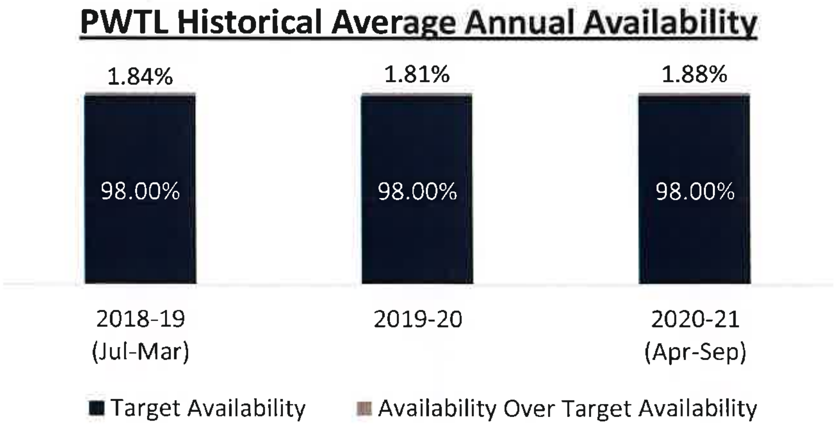
Transmission lines (including any stations/ substations)	Location	Route length/MVA (in ckm)	Specifications	DOCO	Contribution to total transmission charges
As per the interim arrangement, LILO of existing Seoni-Bina 765kV S/C line at Gadarwara STPS would be established. At a later date, LILO portion would be delinked from Seoni-Bina 765kV S/C line to restore the Seoni-Bina 765 S/C direct line, and the LILO portion would be extended to the Jabalpur 765/400 kV Pooling Station to form the proposed Gadarwara 765/400kV Pooling Station to form the proposed Gadarwara-Jabalpur Pool 765 kV D/C line	Madhya Pradesh	30.55 ckm	765 kV D/C	30th November 2016	21%
Gadarwara STPS-Jabalpur Pool	Madhya Pradesh	173.92 ckm	765 kV D/C	31st May 2017	
Gadarwara STPS-New Pooling Station within the jurisdiction/ boundary of Warora	Madhya Pradesh and Maharashtra	627.35 ckm	765 kV D/C	10th July 2018	79%
LILO of both circuits of Wardha - Parli (PG) 400 kV D/C line at Warora* Pooling Station (Quad)	Maharashtra	196.29 ckm	400 kV D/C	16th May 2018	
Establishment of 2X1500 MVA 765/400 kV (New Pooling Station within the jurisdiction/boundary Warora)	Maharashtra	3,000 MVA	765/400 kV	10th July 2018	

Source: Information provided by the Management

GRID Map of "Transmission System Associated with Gadarwara of NTCP Part-A"

Source: Information provided by the Management

Historical Operating Efficiency of PWTL:



Source: Information provided by the Management

10.4.2. Projected Financial Statements

The projected financial statements for the forecast period until 9th July 2053, when 35 years from the COD end, have been provided by the Investment Manager for the valuation. Key assumptions considered by the Management in financial projections are as follows:

1. **Transmission Revenue –** Transmission revenue of PWTL is provided in the TSA for the life of the project. It comprises of only non-escalable transmission revenue as follows:

   a. **Non-Escalable Transmission Revenue –** It remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the Management in the financial projections with the TSA of PWTL.

2. **Incentive –** As per the TSA, if the availability in a contract year exceeds the target availability of 98%, PWTL shall be entitled to an annual incentive as follows:

   Incentive = 0.02 X Annual Transmission Charges X (Actual Annual Availability - Target Availability)

   No incentive shall be payable above the availability of 99.75%. The Management expects the annual availability for PWTL at or above 99.75% during the forecast period.

3. **Penalty –** If the availability in any contract year falls below 95%, PWTL shall be penalised as per the TSA. As represented to us by the Management, the availability in any contract year shall not fall below 95% during the forecast period and thus the penalty has not been considered in the financial projections.

4. **Operations & Maintenance ("O&M") Expenses –** O&M expenses for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 99.7 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per O&M Agreement and Management estimates. We have relied on the projections provided by the Management.

5. **Project Management ("PM") Expenses –** Project Management expenses for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 12.9 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per Project Implementation and Management Agreement. We have relied on the projections provided by the Management.

6. **License fees –** Annual License fee has been estimated by the Management for the forecast period at 0.11% of Annual Transmission Charges as provided under the CERC regulations.

7. **Insurance Expenses –** Insurance expenses for PWTL has been estimated by the Management (based on the insurance policy obtained from insurer) post the transfer to PGInvIT at INR 61.0 Mn annually. Insurance expenses are expected to remain constant throughout the life of the project.

RBSA VALUATION ADVISORS LLP

8. **Key Managerial Personnel Expenses –** Key Managerial Personnel Expenses for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 5.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

9. **System and Market Operation Charges –** System and Market Operation Charges for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 2.7 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

10. **Audit Expenses –** Audit Expenses for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 0.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

11. **Other Administrative Expenses and Other Expenses –** Other Administrative Expenses and Other Expenses for PWTL has been estimated by the Management post the transfer to PGInvIT at INR 1.1 Mn annually. During the forecast period, these expenses shall be escalated at the rate of 10% per annum.

12. **Breakdown Contingencies –** The Management has estimated that an amount of INR 0.5 Mn per annum shall be spent with respect to breakdown contingencies for PWTL during the forecast period.

13. **CSR Expense –** As per the provisions of Section 135 of the Companies Act 2013, CSR Expense of 2% of the average profits in the past 3 years for PWTL has been considered.

14. **Depreciation –** Effective from 1st April 2020, depreciation is being calculated using Straight Line Method over the life of the project considering a salvage value of 5% as per the Companies Act, 2013. Prior to 1st April 2020, the book depreciation was charged as per CERC regulations. For calculating depreciation as per Income Tax Act for the projected period, depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by PWTL have been considered. PWTL is expected to incur certain maintenance capital expenditure during the forecast period. The effect of the same has been considered while computing both book and income tax depreciation.

15. **Tax Rates –** PWATL shall pay taxes under the new regime at the rate of 25.17% throughout the forecast period. The effective tax rate throughout the forecast period shall be 21.40%

16. **Working Capital –** The Management have envisaged the working capital requirement of PWTL for the forecast period. The major operating working capital assumptions are as follows:

    a. **Trade Receivables days –** 45 days
    b. **Unbilled Revenue days –** 31 days

17. **Debt –** The borrowings as of 31st December 2020 of PWTL shall be refinanced by PGInvIT.

RBSA VALUATION ADVISORS LLP
RM.

18. **Capital Expenditure –** The Management has estimated capital expenditure to be incurred over the forecast period for PWTL. We have relied on the projections provided by the Management.

19. **Contingent Liabilities –** The Management represented that the future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of Specified SPVs to PGInvIT shall be borne by POWERGRID. Hence the impact of the same is not considered for the valuation.

20. **Contingent Assets –** PWTL has filed a petition before CERC claiming an amount of INR 955.3 Mn, due to Force Majeure and Change in Law, the final order of which is awaited. As per the Investment Manager, the expected inflow from contingent assets is to be passed to POWERGRID. This inflow of revenue shall either not be taxable in the hands of PWTL or shall be passed on net of taxes to POWERGRID. Hence, the impact of the same is not taken in the valuation.

10.4.3. Valuation

- The Enterprise Value of PWTL has been estimated using the DCF method under the Income Approach by taking into account the following considerations:
  - We have considered and relied on the projected financial statements provided by the Investment Manager for estimating the Enterprise and Equity Value.
  - The forecast period in case of PWTL is based on the completion of 35 years from COD which is from 1st January 2021 to 9th July 2053.
  - Weighted Average Cost of Capital (WACC): Refer **Appendix 1**
  - DCF Analysis: Refer **Appendix 6**

Valuation Summary

Valuation Date	31-Dec-20

Amount in INR Mn

Approaches	Method	Enterprise Value	Equity Value
Income Approach	DCF	29,036.8	13,679.5
Number of equity shares			393,300,000
Value per equity share (INR)			34.8

RBSA VALUATION ADVISORS LLP

In case of PWTL, POWERGRID has filed a petition with regard to an increased project cost due to the Change in Law claiming incremental transmission charges as per the TSA and relevant CERC regulations. The matter is under arbitration and the decision is pending.

We understand from the Management that the incremental transmission tariff expected to be received by PWTL in future owing to the change in law shall be passed on to the Sponsor (POWERGRID).

As per the petition filed by the Management, the increase in transmission charges claimed is as follows:

Amount in INR Mn

Particulars	PWTL
Increase in project cost on account of change in law	955.3
% increase in transmission charges	**3.78%** (0.313% x 955.3 Mn)/ 79.0 Mn

Year-wise incremental revenue claimed by the Management as per the petition filed based on the above-mentioned percentage is provided in **Appendix 2**.

10.4.4. Additional Procedures to be complied with in accordance with InvIT regulations.

Scope of Work

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

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

Limitations

- This Report is based on the information provided by the Management. The exercise has been restricted and kept limited to and based entirely on the information provided to us by the Management. We have completely relied on the information provided by the Management and have assumed that the information provided by the Management is accurate and complete in all material respects.

RBSA VALUATION ADVISORS LLP
RM.

- We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- We have assumed that the documents provided to us by the Management in connection with any particular issue are the only documents related to such issue.
- We have analysed the information provided by the Management from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for SPVs

A. List of one-time sanctions/approvals which are obtained or pending:
The list of sanctions/ approvals obtained by PWTL till 31st December 2020 is provided in **Appendix 11**.

B. List of up to date/ overdue periodic clearances:
We have included the periodic clearances obtained by PWTL in **Appendix 11**.

C. Statement of assets included:
For the details of asset of PWTL as of 31st December 2020 are provided in **Appendix 16**.

D. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:
No major repairs and improvements of the assets have been performed till date. Also, PWTL does not plan to perform any major repairs and improvements during the life of the project. However, PWTL incurs regular annual maintenance charges of Transmission Lines. The historical as well as projected operation and maintenance charges for the life the project along with the projected inflation rate is provided as follows:

Amount in INR Mn

Name of the SPV	O&M Charges					Annual Inflation Rate (FY22-FY54)
	FY2019	FY2020	April - December 2020	January - March 2021	FY2022	
PWTL	73.6	90.3	71.2	24.9	103.2	3.51%

Source: Information provided by the Management

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges if any.
The Management has informed that there are no dues including local authority taxes pending to be payable to the Government authorities except as disclosed in the audited financial statements and information provided as per point F below.

F. On-going material litigations including tax disputes in relation to the assets if any.
The list of on-going material litigations including tax disputes in relation to PWTL are provided in **Appendix 20**.

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

VALUATION ADVISORS LLP
RM.

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

H. Latest Pictures of the project along with date of Inspection
Please refer **Appendix 25**

10.5. POWERGRID Jabalpur Transmission Limited (PJTL)

10.5.1. Company Profile

- POWERGRID Jabalpur Transmission Limited (PJTL) was incorporated on 14th August 2014. Vindhyachal Jabalpur Transmission Limited (erstwhile name of PJTL) entered into a transmission service agreement dated 19th November 2014 with LTTCs (the "PJTL TSA") for transmission of electricity for transmission system strengthening associated with Vindhyachal-V on a BOOM basis.

  Summary of project details is as follows:

Parameters	Details
Gross Block as on 31st December 2020	INR 15,294.9 Mn.
Total Length	745.01 ckm
TSA Date	19th November 2014
Scheduled COD	26th June 2018
Project COD	1st January 2019
Expiry Date	35 years from scheduled COD
POWERGRID's shareholding	100%

Source: Information provided by the Management

- The project was awarded on 10th February 2015, through the TBCB mechanism, for a 35-year period from the Scheduled COD, i.e., 25th June 2018. As of the date of this Offer Document, PJTL proposes to enter into a supplementary agreement to extend the Scheduled COD under the PJTL TSA to the date of the actual COD i.e., 1st January 2019. PJTL was granted transmission license by CERC on 15th June 2015.

- Subsequently, PJTL entered into a TSA dated 22nd August 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the RPCs, and a revenue sharing agreement dated 22nd August 2016 with the CTU.

- PJTL operates one transmission line of 745.01 ckm comprising 765 kV double circuit line of from Vindhyachal Pooling Station to Jabalpur Pooling Station.

- As of 31st December 2020, the Gross Block of Property, Plant and Equipment (including Intangibles) was INR 15,294.9 Mn.

- All the elements have been successfully charged and Date of Commercial Operation (DOCO) declared as per details below:

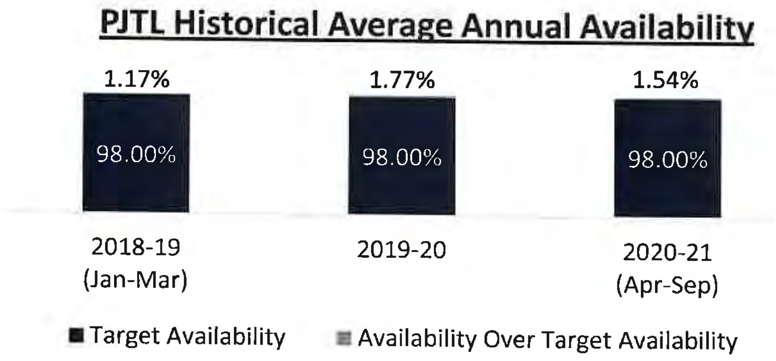
RBSA VALUATION ADVISORS LLP *

Transmission lines (including any stations/ substations)	Location	Route length/MVA (in ckm)	Specifications	DOCO	Contribution to total transmission charges
Vindhyachal Pooling Station- Jabalpur Pooling Station 765 kV D/C line	Madhya Pradesh	745.01 ckm	765 kV D/C	1st January 2019	100%

Source: Information provided by the Management

GRID Map of "Transmission System Strengthening associated with Vindhyachal-V".

Historical Operating Efficiency of PJTL:



Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

10.5.2. Projected Financial Statements

The projected financial statements for the forecast period until 31st December 2053, when 35 years from the COD end, have been provided by the Investment Manager for the valuation. Key assumptions considered by the Management in financial projections are as follows:

1. **Transmission Revenue** – Transmission revenue of PJTL is provided in the TSA for the life of the project. It comprises of only non-escalable transmission revenue as follows:

    a. **Non-Escalable Transmission Revenue** – It remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the Management in the financial projections with the TSA of PJTL.

2. **Incentive** – As per the TSA, if the availability in a contract year exceeds the target availability of 98%, PJTL shall be entitled to an annual incentive as follows:

    Incentive = 0.02 X Annual Transmission Charges X (Actual Annual Availability - Target Availability)

    No incentive shall be payable above the availability of 99.75%. Management expects the annual availability for PJTL at or above 99.75% during the forecast period.

3. **Penalty** – If the availability in any contract year falls below 95%, PJTL shall be penalised as per the TSA. As represented to us by the Management, the availability in any contract year shall not fall below 95% during the forecast period and thus the penalty has not been considered in the financial projections.

4. **Operations & Maintenance ("O&M") Expenses** – O&M expenses for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 28.8 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per O&M Agreement and Management estimates. We have relied on the projections provided by the Management.

5. **Project Management ("PM") Expenses** – Project Management expenses for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 4.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 3.51% per annum as per Project Implementation and Management Agreement. We have relied on the projections provided by the Management.

6. **License fees** – Annual License fee has been estimated by the Management for the forecast period at 0.11% of Annual Transmission Charges as provided under the CERC regulations.

7. **Insurance Expenses** – Insurance expenses for PJTL has been estimated by the Management (based on the insurance policy obtained from insurer) post the transfer to PGInvIT at INR 43.6 Mn annually. Insurance expenses are expected to remain constant throughout the life of the project.

RBSA VALUATION ADVISORS LLP
RU.

8. **Key Managerial Personnel Expenses –** Key Managerial Personnel Expenses for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 5.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

9. **System and Market Operation Charges –** System and Market Operation Charges for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 2.0 Mn annually. During the forecast period, these expenses have been escalated at the rate of 6.50% per annum.

10. **Audit Expenses –** Audit Expenses for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 0.3 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

11. **Other Administrative Expenses and Other Expenses –** Other Administrative Expenses and Other Expenses for PJTL has been estimated by the Management post the transfer to PGInvIT at INR 1.1 Mn annually. During the forecast period, these expenses have been escalated at the rate of 10% per annum.

12. **Breakdown Contingencies –** The Management has estimated that an amount of INR 0.5 Mn per annum shall be spent with respect to breakdown contingencies for PJTL during the forecast period.

13. **CSR Expense –** As per the provisions of Section 135 of the Companies Act 2013, CSR Expense of 2% of the average profits in the past 3 years for PJTL has been considered.

14. **Depreciation –** Effective from 1st April 2020, depreciation is being calculated using Straight Line Method over the life of the project considering a salvage value of 5% as per the Companies Act, 2013. Prior to 1st April 2020, the book depreciation was charged as per CERC regulations. For calculating depreciation as per Income Tax Act for the projected period, depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by PJTL have been considered. PJTL is expected to incur certain maintenance capital expenditure during the forecast period. The effect of the same has been considered while computing both book and income tax depreciation.

15. **Tax Rates –** PJTL shall pay taxes under the new regime at the rate of 25.17% throughout the forecast period. The effective tax rate throughout the forecast period shall be 22.78%

16. **Working Capital –** The Management have envisaged the working capital requirement of PJTL for the forecast period. The major operating working capital assumptions are as follows:
    a. **Trade Receivables days –** 45 days
    b. **Unbilled Revenue days –** 31 days

17. **Debt –** The borrowings as of 31st December 2020 of PJTL shall be refinanced by PGInvIT.

RBSA VALUATION ADVISORS LLP
RM.

18. **Capital Expenditure –** The Management has estimated capital expenditure to be incurred over the forecast period for PJTL. We have relied on the projections provided by the Management.

19. **Contingent Liabilities** – The Management represented that the future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of Specified SPVs to PGInvIT shall be borne by POWERGRID. Hence the impact of the same is not considered for the valuation.

20. **Contingent Assets** – PJTL has filed a petition before CERC claiming an amount of INR 766.4 Mn, due to Force Majeure and Change in Law, the final order of which is awaited. As per the Investment Manager, the expected inflow from contingent assets is to be passed to POWERGRID. This inflow of revenue shall either not be taxable in the hands of PJTL or shall be passed on net of taxes to POWERGRID. Hence, the impact of the same is not taken in the valuation.

10.5.3. Valuation

- The Enterprise Value of PJTL has been estimated using the DCF method under the Income Approach by taking into account the following considerations:
  - We have considered and relied on the projected financial statements provided by the Investment Manager for estimating the Enterprise and Equity Value.
  - The forecast period in case of PJTL is based on the completion of 35 years from COD which is from 1st January 2021 to 31st December 2053.
  - Weighted Average Cost of Capital (WACC): Refer **Appendix 1**
  - DCF Analysis: Refer **Appendix 7**

Valuation Summary

Valuation Date	31-Dec-20

Amount in INR Mn.

Approaches	Method	Enterprise Value	Equity Value
Income Approach	DCF	21,163.0	9,582.1
Number of equity shares			226,910,000
Value per equity share (INR)			42.2

In case of PJTL, POWERGRID has filed a petition with regard to an increased project cost due to the Change in Law claiming incremental transmission charges as per the TSA and relevant CERC regulations. The matter is under arbitration and the decision is pending.

We understand from the Management that the incremental transmission tariff expected to be received by PJTL in future owing to the change in law shall be passed on to the Sponsor (POWERGRID).

RBSA VALUATION ADVISORS LLP ★

RM.

As per the petition filed by the Management, the increase in transmission charges claimed is as follows:

Amount in INR Mn.

Particulars	PJTL
Increase in project cost on account of change in law	766.4
% increase in transmission charges	**6.38%** (0.313% x 766.4 Mn)/ 37.6 Mn

Source: Information provided by the Management

Year-wise incremental revenue claimed by the Management as per the petition filed based on the above-mentioned percentage is provided in **Appendix 2**.

10.5.4. Additional Procedures to be complied with in accordance with InvIT regulations.

Scope of Work

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

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

Limitations

- This Report is based on the information provided by the Management. The exercise has been restricted and kept limited to and based entirely on the information provided to us by the Management. We have completely relied on the information provided by the Management and have assumed that the information provided by the Management is accurate and complete in all material respects.
- We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as original, and the conformity of the copies or extracts submitted to us with that of the original documents.
- We have assumed that the documents provided to us by the Management in connection with any particular issue are the only documents related to such issue.

RBSA VALUATION ADVISORS LLP

- We have analysed the information provided by the Management from the limited perspective of examining issues noted in the scope of work and we do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for SPVs

A. List of one-time sanctions/approvals which are obtained or pending:
The list of sanctions/ approvals obtained by PJTL till 31st December 2020 is provided in **Appendix 12.**

B. List of up to date/ overdue periodic clearances:
We have included the periodic clearances obtained by PJTL in **Appendix 12**

C. Statement of assets included:
For the details of asset of PJTL as of 31st December 2020 are provided in **Appendix 17.**

D. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:
No major repairs and improvements of the assets have been performed till date. Also, PJTL does not plan to perform any major repairs and improvements during the life of the project. However, PJTL incurs regular annual maintenance charges of Transmission Lines. The historical as well as projected operation and maintenance charges for the life the project along with the projected inflation rate is provided as follows:

Amount in INR Mn

Name of the SPV	FY2019	FY2020	O&M Charges April - December 2020	January - March 2021	FY2022	Annual Inflation Rate (FY22-FY54)
PJTL	8.4	15.0	24.1	7.2	29.8	3.51%

Source: Information provided by the Management

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges if any.
The Management has informed that there are no dues including local authority taxes pending to be payable to the Government authorities except as disclosed in the audited financial statements and information provided as per point F below.

F. On-going material litigations including tax disputes in relation to the assets if any.
The list of on-going material litigations including tax disputes in relation to PJTL are provided in **Appendix 21.**

G. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.
Management has confirmed that there are no such natural or induced hazards which have not been considered in town planning/ building control.

H. Latest Pictures of the project along with date of Inspection
Please refer **Appendix 26**

RBSA VALUATION ADVISORS LLP

11. Valuation Conclusion

We have carried out the Enterprise and Equity Valuation of the Specified SPVs as of 31st December 2020 considering *inter-alia* historical performance of the Specified SPVs, Business plan/ Projected financial statements of the Specified SPVs and other information provided by/ on behalf of the Investment Manager, industry analysis and other relevant factors.

In performing the valuation analysis, we have adopted the Discounted Cash Flow Method under the Income Approach.

The Valuation summary of the Specified SPVs as of 31st December 2020 is as follows:

SPV	WACC	Enterprise Value (INR Mn)	Equity Value (INR Mn)	No. of equity shares	Value per equity share (INR)
POWERGRID Vizag Transmission Limited	7.80%	23,136.1	15,313.8	209,730,000	73.0
POWERGRID Kala Amb Transmission Limited	7.60%	4,535.2	2,679.5	61,000,000	43.9
POWERGRID Parli Transmission Limited	7.70%	25,976.4	13,138.6	322,100,000	40.8
POWERGRID Warora Transmission Limited	7.70%	29,036.8	13,679.5	393,300,000	34.8
POWERGRID Jabalpur Transmission Limited	7.60%	21,163.0	9,582.1	226,910,000	42.2

Sensitivity Analysis

INR Mn

SPV	Base Case	Enterprise Value Operating Expenses increase by 10%	Operating Expenses decrease by 10%
PVTL	23,136.1	22,955.5	23,316.6
PKATL	4,535.2	4,395.8	4,674.6
PPTL	25,976.4	25,671.8	26,281.0
PWTL	29,036.8	28,729.8	29,343.9
PJTL	21,163.0	21,017.0	21,309.0

INR Mn

SPV	Base Case	WACC +0.5%	Enterprise Value WACC -0.5%	WACC +1%	WACC -1%
PVTL	23,136.1	21,998.9	24,410.0	20,976.7	25,847.8
PKATL	4,535.2	4,335.2	4,756.6	4,153.5	5,003.2
PPTL	25,976.4	24,859.9	27,219.4	23,850.4	28,613.3
PWTL	29,036.8	27,762.2	30,458.9	26,612.0	32,058.0
PJTL	21,163.0	20,200.3	22,240.7	19,334.4	23,457.2

RBSA VALUATION ADVISORS LLP

The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on 11th March 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Value analysis is reported on the basis of 'material valuation uncertainty' and accordingly, less certainty and a higher degree of caution should be attached to the Value Analysis than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.

We understand from the Management that future cash outflow, if any, on account of contingent liabilities pertaining to the period prior to the transfer of the Specified SPVs to PGInvIT, shall be borne by POWERGRID. Hence, the impact of the contingent liabilities has not been considered in the estimation of the Enterprise Value and Equity Value. However, for disclosure purposes, the contingent liabilities of the Specified SPVs are as follows:

a. PVTL

i. Disputed Entry Tax Matters amounting to INR 96.28 Mn.
ii. Sales Tax dispute – INR 0.91 Mn

b. PKATL

Income Tax Matter amounting to INR 3.11 Mn.

c. PPTL

i. Land Compensation Dispute – INR 0.02 Mn
ii. Claims towards buildings permission fees, penalty on diversion of agriculture land to non-agriculture use, etc. – INR 2.58 Mn
iii. Other Contingent liability related to arbitration cases – INR 52.61 Mn.

d. PWTL

i. Building permission fees, penalty on diversion of agriculture land to non-agriculture use, etc – INR 3.31 Mn
ii. Other Contingent Liabilities related to arbitration cases – INR 0.9 Mn.

e. PJTL

i. Liquidated damages – INR 60.85 Mn

Further, we understand from the Management that the contingent assets pertaining to the incremental revenue expected to be received in case of PPTL, PWTL and PJTL due to the change in law shall be passed on to POWERGRID. This inflow of revenue shall either not be taxable in the hands of PPTL, PWTL and PJTL or shall be passed on net of taxes to POWERGRID. Hence, the impact of the same is not considered for the valuation.

RBSA VALUATION ADVISORS LLP ★
RM.

Appendices

Appendix 1 - WACC

Particulars	PVTL	PKATL	PPTL	PWTL	PJTL	Remarks
Debt-to-equity Industry	**1.45**	**1.45**	**1.45**	**1.45**	**1.45**	POWERGRID's 5-year average debt to equity ratio computed (based on estimated market weights)
Unlevered Beta – Industry	0.21	0.21	0.21	0.21	0.21	Beta is a measure of the risk of the shares of a company. ß is the co-variance between the return on sample stock and the return on the market. In order to determine the appropriate beta factor for the Company, consideration must be given either to the market beta of the Company or betas of comparable quoted companies. Since only one listed comparable company is available i.e., POWERGRID, unlevered beta has been estimated based on the 5-year monthly beta of POWERGRID.
Relevered Beta	0.52	0.52	0.52	0.52	0.52	Considering *inter-alia* 5-year monthly beta of POWERGRID and average debt equity ratio (Market weights)
Cost of Equity (Ke)						
Risk Free Rate (Rfr)	6.25%	6.25%	6.25%	6.25%	6.25%	Based on 10-year Zero coupon yield curve for GoI securities as of 31st December 2020
Equity Market Risk Premium	7.00%	7.00%	7.00%	7.00%	7.00%	Equity Market equity risk premium is estimated considering inter-alia historical equity market returns over a risk-free rate and forward-looking equity market risk premium estimates. Data sources reviewed generated a range of equity risk premium indications. However, a 7% equity market risk premium was considered reasonable representative of the equity risk premium for India.
Levered Beta	0.52	0.52	0.52	0.52	0.52	Considering inter-alia 5-year monthly beta of POWERGRID and average debt equity ratio (Market weights)
Additional Risk Premium	1.00%	1.00%	1.00%	1.00%	1.00%	Considering inter-alia additional market and earnings volatility on account of COVID-19
Cost of Equity (Ke)	**10.9%**	**10.9%**	**10.9%**	**10.9%**	**10.9%**	

RBSA VALUATION ADVISORS LLP
RM.

Particulars	PVTL	PKATL	PPTL	PWTL	PJTL	Remarks
Cost of Debt (Kd)						
Pre-Tax Cost of Debt (Kd)	7.00%	7.00%	7.00%	7.00%	7.00%	Management expects that considering *inter-alia* the operating nature of the Specified SPVs, long term TSA and discussions with the prospective lenders, InvIT/ SPVs will be able to borrow at a weighted average interest rate of ~7% per annum
Effective tax rate	18.4%	23.6%	22.2%	21.4%	22.8%	Estimated considering *inter-alia* tax holiday period and brought forward losses if any
Post-Tax Cost of Debt (Kd)	5.71%	5.35%	5.45%	5.50%	5.41%	
WACC	**7.83%**	**7.62%**	**7.67%**	**7.70%**	**7.65%**	
Rounded off WACC	**7.80%**	**7.60%**	**7.70%**	**7.70%**	**7.60%**	

RBSA VALUATION ADVISORS LLP

Appendix 2 - Incremental Cash Flows

Year-wise incremental revenue claimed by the Management as per the petitions filed based on the above-mentioned percentage increase is as follows:

Amount in INR Mn

Financial Year	PPTL			PWTL			PJTL		
	Base Revenue	Incremental Revenue	Total Revenue	Base Revenue	Incremental Revenue	Total Revenue	Base Revenue	Incremental Revenue	Total Revenue
FY2019	2,617.3	79.3	2,696.6	2,556.1	96.7	2,652.8	600.9	38.3	639.2
FY2020	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2021	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2022	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2023	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2024	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2025	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2026	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2027	3,173.8	96.2	3,270.0	3,520.7	133.3	3,654.0	2,436.8	155.5	2,592.3
FY2028	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2029	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2030	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2031	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2032	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2033	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2034	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2035	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2036	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2037	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2038	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2039	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2040	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2041	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2042	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2043	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2044	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2045	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2046	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2047	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2048	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2049	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2050	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2051	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2052	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2053	2,229.6	67.6	2,297.1	2,473.3	93.6	2,566.9	1,711.9	109.2	1,821.1
FY2054	390.9	11.8	402.8	677.6	25.6	703.2	1,289.8	82.3	1,372.0

RBSA VALUATION ADVISORS LLP

Appendix 3 - PVTL: Discounted Cash Flow Method

Discounted Cash Flow Analysis

Amount in INR Mn

Particulars	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Period in Months	6	12	12	12	12	12	12	12
Revenues	759.4	2,956.5	2,426.2	2,201.8	2,200.5	2,199.2	2,197.9	2,196.5
EBIT	632.7	2,511.5	1,978.5	1,755.5	1,761.2	1,761.0	1,757.7	1,752.3
Less Tax	-115.3	-438.8	-345.7	-306.7	-307.7	-307.7	-307.1	-306.2
EBIT after Tax	517.4	2,072.7	1,632.8	1,448.8	1,453.5	1,453.3	1,450.6	1,446.2
Add: Depreciation	78.2	312.9	312.9	312.9	312.9	312.9	312.9	313.6
Less: Capital Expenditure	0.1	-2.2	-	-	-	-	-	-20.4
Add/Less: Changes in Working Capital	205.8	15.7	107.0	43.2	-3.4	-3.5	-3.6	-3.7
Free Cash flows	**801.5**	**2,399.1**	**2,052.6**	**1,804.8**	**1,762.9**	**1,762.7**	**1,759.9**	**1,735.6**
Time to Midpoint	0.1	7.5	17.5	27.5	37.5	47.5	57.5	67.5
Discount Rate	1.0	9.5	8.8	8.1	7.5	7.0	6.5	6.0
Discounted Cash Flow	**794.1**	**2,268.3**	**1,800.3**	**1,468.2**	**1,330.3**	**1,233.8**	**1,142.7**	**1,045.4**

Amount in INR Mn

Particulars	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Period in Months	12	12	12	12	12	12	12	12
Revenues	2,194.7	2,193.0	2,191.0	2,189.2	2,186.7	2,184.3	2,181.6	2,179.0
EBIT	1,747.2	1,742.0	1,736.5	1,731.0	1,724.7	1,717.8	1,710.3	1,702.2
Less Tax	-305.3	-304.4	-303.4	-302.4	-301.3	-300.1	-298.8	-297.4
EBIT after Tax	1,441.9	1,437.6	1,433.1	1,428.5	1,423.3	1,417.7	1,411.5	1,404.8
Add: Depreciation	313.6	313.6	313.6	313.6	313.6	313.6	313.6	313.6
Less: Capital Expenditure	-	-	-	-	-	-	-	-
Add/Less: Changes in Working Capital	-3.7	-3.9	-4.0	-4.1	-4.1	-4.3	-4.4	-4.5
Free Cash flows	**1,751.8**	**1,747.4**	**1,742.8**	**1,738.0**	**1,732.8**	**1,727.0**	**1,720.7**	**1,713.9**
Time to Midpoint	77.5	87.5	97.5	107.5	117.5	127.5	137.5	147.6
Discount Rate	5.6	5.2	4.8	4.5	4.1	3.8	3.6	3.3
Discounted Cash Flow	**978.6**	**905.5**	**837.8**	**775.0**	**716.7**	**662.6**	**612.4**	**565.8**

Amount in INR Mn

Particulars	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045
Period in Months	12	12	12	12	12	12	12	12	12
Revenues	2,175.7	2,172.4	2,168.9	2,165.3	2,160.9	2,156.5	2,151.7	2,146.9	2,141.0
EBIT	1,693.3	1,684.1	1,674.4	1,664.4	1,653.3	1,641.8	1,629.9	1,618.0	1,605.0
Less Tax	-295.8	-294.2	-292.5	-290.8	-288.9	-286.9	-284.8	-489.3	-486.9
EBIT after Tax	1,397.4	1,389.8	1,381.8	1,373.6	1,364.4	1,354.9	1,345.1	1,128.7	1,118.1
Add: Depreciation	313.6	313.6	313.6	313.6	313.6	313.6	313.6	313.6	313.6
Less: Capital Expenditure	-	-	-	-	-	-	-	-	-
Add/Less: Changes in Working Capital	-4.5	-4.7	-4.8	-5.0	-4.9	-5.1	-5.2	-5.4	-5.4
Free Cash flows	**1,706.5**	**1,698.8**	**1,690.7**	**1,682.3**	**1,673.1**	**1,663.4**	**1,653.5**	**1,436.9**	**1,426.4**
Time to Midpoint	157.6	167.6	177.6	187.6	197.6	207.6	217.6	227.6	237.6
Discount Rate	3.1	2.8	2.6	2.4	2.3	2.1	2.0	1.8	1.7
Discounted Cash Flow	**522.5**	**482.5**	**445.5**	**411.2**	**379.3**	**349.8**	**322.6**	**260.0**	**239.4**

RBSA VALUATION ADVISORS LLP

Amount in INR Mn

Particulars Period in Months	FY2046 12	FY2047 12	FY2048 12	FY2049 12	FY2050 12	FY2051 12	FY2052 10	TY 12
Revenues	2,135.1	2,128.7	2,122.2	2,114.5	2,106.6	2,098.2	1,723.4	2,055.7
EBIT	1,591.8	1,577.8	1,563.3	1,547.1	1,530.3	1,512.4	1,219.0	1,454.2
Less Tax	-484.3	-481.3	-478.2	-474.5	-470.6	-466.3	-380.0	-366.0
EBIT after Tax	1,107.5	1,096.5	1,085.2	1,072.7	1,059.7	1,046.0	839.0	1,088.2
Add: Depreciation	313.6	313.6	313.6	313.6	313.6	313.6	263.1	313.6
Less: Capital Expenditure	-	-	-	-	-	-	-	-313.6
Add/Less: Changes in Working Capital	-5.6	-5.7	-5.9	-5.8	-6.0	-6.1	-0.7	-
Free Cash flows	**1,415.6**	**1,404.4**	**1,392.9**	**1,380.5**	**1,367.3**	**1,353.5**	**1,101.4**	**1,088.2**
Time to Midpoint	247.6	257.6	267.6	277.7	287.7	297.7	306.8	306.8
Discount Rate	1.6	1.4	1.3	1.2	1.2	1.1	1.0	1.0
Discounted Cash Flow	**220.4**	**202.8**	**186.6**	**171.5**	**157.6**	**144.7**	**109.9**	**108.6**

Particulars	Amount in INR Mn
Present Value of Explicit Period	21,743.9
Present Value of Terminal Value	1,392.2
Business Enterprise Value (EV)	**23,136.1**
Add: Cash & Bank Balance	17.6
Less: Debt	-7,839.9
Equity Value	**15,313.8**

RBSA VALUATION ADVISORS LLP *
RM.

Appendix 4 - PKATL: Discounted Cash Flow Method

Discounted Cash Flow Analysis

Amount in INR Mn.

Particulars	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028
Period in Months	3	12	12	12	12	12	12	12
Revenues	201.55	730.48	710.59	691.61	671.26	589.32	531.23	531.23
EBIT	155.08	556.84	534.62	512.63	489.76	405.13	344.11	341.63
Less Tax	-6.33	-99.57	-102.45	-103.99	-104.87	-89.76	-79.40	-83.04
EBIT after Tax	148.75	457.27	432.17	408.64	384.89	315.37	264.71	258.60
Add: Depreciation	20.50	86.39	86.39	88.09	88.80	88.80	89.19	89.19
Less: Capital Expenditure	-81.87	-144.22	0.00	-52.30	-5.20	0.00	-10.98	0.00
Add/Less: Changes in Working Capital	-3.98	4.17	4.14	3.95	4.24	17.06	12.09	0.00
Free Cash flows	83.40	403.62	522.70	448.38	472.73	421.22	355.02	347.79
Time to Midpoint	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75
Discount Rate	0.99	0.95	0.88	0.82	0.76	0.71	0.66	0.61
Discounted Cash Flow	**82.65**	**382.14**	**459.93**	**366.63**	**359.20**	**297.46**	**233.00**	**212.11**

Amount in INR Mn.

Particulars	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Period in Months	12	12	12	12	12	12	12	12
Revenues	531.23	531.23	531.23	531.23	531.23	531.23	531.23	531.23
EBIT	338.84	335.36	331.35	327.19	322.87	318.37	313.68	308.78
Less Tax	-86.07	-88.48	-90.34	-91.60	-92.57	-93.25	-93.61	-93.69
EBIT after Tax	252.77	246.88	241.01	235.59	230.29	225.12	220.07	215.09
Add: Depreciation	89.19	89.19	89.19	89.19	89.19	89.19	89.19	89.19
Less: Capital Expenditure	0.00	0.00	0.00	-5.20	0.00	0.00	0.00	0.00
Add/Less: Changes in Working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cash flows	341.96	336.08	330.20	319.58	319.49	314.31	309.26	304.28
Time to Midpoint	7.75	8.75	9.75	10.75	11.75	12.75	13.75	14.76
Discount Rate	0.57	0.53	0.49	0.45	0.42	0.39	0.37	0.34
Discounted Cash Flow	**193.81**	**177.02**	**161.64**	**145.38**	**135.05**	**123.48**	**112.91**	**103.24**

Amount in INR Mn.

Particulars	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045
Period in Months	12	12	12	12	12	12	12	12	12
Revenues	531.23	531.23	531.23	531.23	531.23	531.23	531.23	531.23	531.23
EBIT	303.66	298.32	292.73	286.88	280.75	274.34	267.62	260.56	253.15
Less Tax	-93.53	-93.15	-92.42	-91.62	-90.71	-89.63	-88.40	-87.01	-85.49
EBIT after Tax	210.13	205.17	200.31	195.25	190.05	184.71	179.22	173.54	167.66
Add: Depreciation	89.19	89.19	89.19	89.19	89.19	89.19	89.19	89.19	89.19
Less: Capital Expenditure	0.00	0.00	-5.20	0.00	0.00	0.00	0.00	0.00	0.00
Add/Less: Changes in Working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cash flows	299.32	294.36	284.30	284.44	279.24	273.90	268.41	262.74	256.85
Time to Midpoint	15.76	16.76	17.76	18.76	19.76	20.76	21.76	22.76	23.76
Discount Rate	0.32	0.29	0.27	0.25	0.24	0.22	0.20	0.19	0.18
Discounted Cash Flow	**94.37**	**86.25**	**77.42**	**71.98**	**65.67**	**59.86**	**54.52**	**49.59**	**45.05**

RBSA VALUATION ADVISORS LLP
RM.

Amount in INR Mn.

Particulars	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052	FY2053	TY
Period in Months	12	12	12	12	12	12	12	3	12
Revenues	531.23	531.23	531.23	531.23	531.23	531.23	531.23	148.45	531.23
EBIT	245.37	237.19	228.61	219.62	210.20	200.30	189.89	48.81	167.45
Less Tax	-83.67	-81.83	-79.89	-77.82	-75.58	-73.20	-70.65	-18.54	-42.14
EBIT after Tax	161.70	155.36	148.71	141.81	134.62	127.10	119.24	30.27	125.31
Add: Depreciation	89.19	89.19	89.19	89.19	89.19	89.18	89.11	22.89	89.11
Less: Capital Expenditure	-5.20	0.00	0.00	0.00	0.00	0.00	0.00	0.00	-89.11
Add/Less: Changes in Working Capital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Free Cash flows	245.69	244.55	237.90	231.00	223.81	216.28	208.36	53.16	125.31
Time to Midpoint	24.76	25.76	26.76	27.77	28.77	29.77	30.77	31.41	31.41
Discount Rate	0.16	0.15	0.14	0.13	0.12	0.11	0.11	0.10	0.10
Discounted Cash Flow	**40.05**	**37.05**	**33.49**	**30.22**	**27.21**	**24.44**	**21.88**	**5.33**	**12.55**

Amount in INR Mn.

Particulars	
Present Value of Explicit Period	4,370.1
Present Value of Terminal Value	165.2
Business Enterprise Value (EV)	**4,535.2**
Add: Cash & Bank Balance	4.2
Less: Debt	-1,860.0
Equity Value	**2,679.5**

RBSA VALUATION ADVISORS LLP *

Appendix 5 - PPTL: Discounted Cash Flow Method

Discounted Cash Flow Analysis

Amount in INR Mn.

Particulars Period in Months	FY2021 3	FY2022 12	FY2023 12	FY2024 12	FY2025 12	FY2026 12	FY2027 12	FY2028 12
Revenues	811.2	3,284.9	3,284.9	3,284.9	3,284.9	3,284.9	3,284.9	2,307.6
EBIT	635.8	2,605.9	2,600.8	2,596.3	2,594.3	2,586.3	2,578.7	1,594.7
Less Tax	0.0	0.0	-454.5	-506.8	-547.3	-581.0	-609.3	-387.2
EBIT after Tax	635.8	2,605.9	2,146.3	2,089.5	2,047.1	2,005.2	1,969.4	1,207.4
Add: Depreciation	118.4	473.9	475.0	475.9	475.9	476.6	476.6	476.6
Less: Capital Expenditure	-2.5	-15.4	-34.3	-30.1	0.0	-5.2	0.0	0.0
Add/Less: Changes in Working Capital	356.1	-1.4	-1.5	-1.5	-1.6	-1.6	-1.7	201.8
Free Cash flows	1,107.7	3,063.0	2,585.4	2,533.8	2,521.4	2,475.0	2,444.4	1,885.8
Time to Midpoint	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75
Discount Rate	0.99	0.95	0.88	0.82	0.76	0.70	0.65	0.61
Discounted Cash Flow	**1,097.7**	**2,898.0**	**2,271.3**	**2,066.5**	**1,909.2**	**1,740.1**	**1,595.7**	**1,143.0**

Amount in INR Mn.

Particulars Period in Months	FY2029 12	FY2030 12	FY2031 12	FY2032 12	FY2033 12	FY2034 12	FY2035 12	FY2036 12
Revenues	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6
EBIT	1,593.0	1,591.2	1,589.4	1,581.1	1,572.7	1,564.1	1,555.2	1,546.0
Less Tax	-406.9	-423.3	-436.8	-448.0	-457.0	-464.4	-470.4	-475.0
EBIT after Tax	1,186.1	1,168.0	1,152.6	1,133.1	1,115.7	1,099.7	1,084.8	1,071.0
Add: Depreciation	476.6	476.6	476.6	476.6	476.6	476.6	476.6	476.6
Less: Capital Expenditure	0.0	0.0	0.0	0.0	-5.2	0.0	0.0	0.0
Add/Less: Changes in Working Capital	-1.8	-1.8	-1.9	-1.9	-2.0	-2.1	-2.1	-2.2
Free Cash flows	1,661.0	1,642.8	1,627.4	1,607.8	1,585.1	1,574.3	1,559.4	1,545.4
Time to Midpoint	7.75	8.75	9.75	10.75	11.75	12.75	13.75	14.76
Discount Rate	0.56	0.52	0.49	0.45	0.42	0.39	0.36	0.33
Discounted Cash Flow	**934.6**	**858.3**	**789.4**	**724.1**	**662.8**	**611.2**	**562.1**	**517.2**

Amount in INR Mn.

Particulars Period in Months	FY2037 12	FY2038 12	FY2039 12	FY2040 12	FY2041 12	FY2042 12	FY2043 12	FY2044 12	FY2045 12
Revenues	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6
EBIT	1,536.5	1,526.6	1,516.4	1,505.8	1,494.8	1,483.3	1,471.4	1,459.0	1,446.1
Less Tax	-478.6	-481.3	-483.1	-484.0	-484.4	-484.3	-483.7	-482.6	-481.2
EBIT after Tax	1,057.9	1,045.4	1,033.4	1,021.8	1,010.4	999.0	987.7	976.4	964.9
Add: Depreciation	476.6	476.6	476.6	476.6	476.6	476.6	476.6	476.6	476.6
Less: Capital Expenditure	0.0	0.0	0.0	-5.2	0.0	0.0	0.0	0.0	0.0
Add/Less: Changes in Working Capital	-2.2	-2.3	-2.4	-2.5	-2.5	-2.6	-2.7	-2.8	-2.8
Free Cash flows	1,532.3	1,519.7	1,507.6	1,490.8	1,484.5	1,473.1	1,461.7	1,450.2	1,438.7
Time to Midpoint	15.76	16.76	17.76	18.76	19.76	20.76	21.76	22.76	23.76
Discount Rate	0.31	0.29	0.27	0.25	0.23	0.21	0.20	0.18	0.17
Discounted Cash Flow	**476.1**	**438.4**	**403.9**	**370.8**	**342.8**	**315.8**	**291.0**	**268.0**	**246.8**

RBSA VALUATION ADVISORS LLP

RM.

Amount in INR Mn.

Particulars Period in Months	FY2046 12	FY2047 12	FY2048 12	FY2049 12	FY2050 12	FY2051 12	FY2052 12	FY2053 12	FY2054 2	TY 12
Revenues	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	2,307.6	404.6	2,307.6
EBIT	1,432.6	1,418.5	1,403.8	1,388.5	1,372.6	1,356.3	1,339.4	1,321.8	205.1	1168.6
Less Tax	-479.3	-477.0	-474.4	-471.6	-468.5	-465.0	-461.3	-457.3	-77.7	-294.1
EBIT after Tax	953.2	941.5	929.4	916.9	904.1	891.2	878.1	864.5	127.4	874.5
Add: Depreciation	476.6	476.6	476.6	476.6	476.6	476.6	476.6	476.6	83.4	476.6
Less: Capital Expenditure	0.0	-5.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-476.6
Add/Less: Changes in Working Capital	-2.9	-3.0	-3.1	-3.2	-3.3	-3.4	-3.5	-3.6	-3.7	7.9
Free Cash flows	1,427.0	1,409.9	1,402.9	1,390.3	1,377.5	1,364.5	1,351.2	1,337.5	207.1	882.4
Time to Midpoint	24.76	25.76	26.76	27.77	28.77	29.77	30.77	31.77	32.36	32.36
Discount Rate	0.16	0.15	0.14	0.13	0.12	0.11	0.10	0.09	0.09	0.09
Discounted Cash Flow	**227.3**	**208.6**	**192.7**	**177.3**	**163.1**	**150.0**	**137.9**	**126.7**	**18.8**	**80.0**

Amount in INR Mn.

Particulars	With TV
Present Value of Explicit Period	24,936.9
Present Value of Terminal Value	1,039.5
Business Enterprise Value (EV)	**25,976.4**
Add: Cash & Bank Balance	167.1
Less: Debt	-13,005.0
Equity Value	**13,138.6**

RBSA VALUATION ADVISORS LLP

Appendix 6 - PWTL: Discounted Cash Flow Method

Discounted Cash Flow Analysis

Amount in INR Mn.

Particulars	FY2021	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Period in Months	3	12	12	12	12	12	12	12	12
Revenues	914.7	3,643.9	3,643.9	3,643.9	3,643.9	3,643.9	3,643.9	2,559.9	2,559.9
EBIT	711.2	2,850.3	2,846.0	2,841.7	2,845.1	2,836.1	2,827.6	1,736.4	1,735.0
Less Tax	-	-	(185.7)	(547.6)	(597.0)	(637.5)	(670.7)	(426.1)	(449.4)
EBIT after Tax	711.2	2,850.3	2,660.3	2,294.1	2,248.1	2,198.6	2,156.8	1,310.3	1,285.6
Add: Depreciation	142.3	573.2	573.3	573.4	573.4	574.2	574.8	574.8	574.8
Less: Capital Expenditure	(45.9)	(130.9)	(3.0)	(3.9)	-	(5.2)	(17.3)	-	-
Add/Less: Changes in Working Capital	101.7	(1.8)	(1.8)	(1.9)	(1.9)	(2.0)	(2.1)	223.6	(2.2)
Free Cash flows	**909.3**	**3,290.8**	**3,228.8**	**2,861.7**	**2,819.6**	**2,765.5**	**2,712.2**	**2,108.7**	**1,858.2**
Time to Midpoint	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75
Discount Rate	0.99	0.95	0.88	0.82	0.76	0.70	0.65	0.61	0.56
Discounted Cash Flow	**901.0**	**3,113.5**	**2,836.4**	**2,334.0**	**2,135.0**	**1,944.3**	**1,770.6**	**1,278.0**	**1,045.6**

Amount in INR Mn.

Particulars	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038
Period in Months	12	12	12	12	12	12	12	12	12
Revenues	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9
EBIT	1,733.4	1,731.8	1,723.0	1,714.4	1,705.5	1,696.4	1,686.9	1,677.1	1,667.0
Less Tax	(468.8)	(484.8)	(498.0)	(508.8)	(517.6)	(524.8)	(530.4)	(534.9)	(538.2)
EBIT after Tax	1,264.6	1,247.0	1,225.0	1,205.6	1,187.9	1,171.6	1,156.5	1,142.3	1,128.8
Add: Depreciation	574.8	574.8	574.8	574.8	574.8	574.8	574.8	574.8	574.8
Less: Capital Expenditure	-	-	-	(5.2)	-	-	-	-	-
Add/Less: Changes in Working Capital	(2.3)	(2.3)	(2.4)	(2.5)	(2.5)	(2.6)	(2.7)	(2.8)	(2.9)
Free Cash flows	**1,837.1**	**1,819.4**	**1,797.4**	**1,772.7**	**1,760.1**	**1,743.7**	**1,728.5**	**1,714.3**	**1,700.7**
Time to Midpoint	8.75	9.75	10.75	11.75	12.75	13.75	14.76	15.76	16.76
Discount Rate	0.52	0.49	0.45	0.42	0.39	0.36	0.33	0.31	0.29
Discounted Cash Flow	**959.8**	**882.6**	**809.5**	**741.2**	**683.3**	**628.6**	**578.5**	**532.6**	**490.7**

Amount in INR Mn.

Particulars	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047
Period in Months	12	12	12	12	12	12	12	12	12
Revenues	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9
EBIT	1,656.6	1,645.7	1,634.4	1,622.7	1,610.5	1,597.9	1,584.7	1,570.9	1,556.6
Less Tax	(540.6)	(542.0)	(542.9)	(543.1)	(542.8)	(542.0)	(540.8)	(539.1)	(536.9)
EBIT after Tax	1,115.9	1,103.7	1,091.5	1,079.6	1,067.7	1,055.8	1,043.9	1,031.8	1,019.8
Add: Depreciation	574.8	574.8	574.8	574.8	574.8	574.8	574.8	574.8	574.8
Less: Capital Expenditure	-	(5.2)	-	-	-	-	-	-	(5.2)
Add/Less: Changes in Working Capital	(2.9)	(3.0)	(3.1)	(3.2)	(3.3)	(3.4)	(3.5)	(3.6)	(3.7)
Free Cash flows	**1,687.8**	**1,670.2**	**1,663.2**	**1,651.1**	**1,639.1**	**1,627.2**	**1,615.1**	**1,603.0**	**1,585.6**
Time to Midpoint	17.76	18.76	19.76	20.76	21.76	22.76	23.76	24.76	25.76
Discount Rate	0.27	0.25	0.23	0.21	0.20	0.18	0.17	0.16	0.15
Discounted Cash Flow	**452.1**	**415.4**	**384.0**	**354.0**	**326.3**	**300.7**	**277.1**	**255.4**	**234.5**

RBSA VALUATION ADVISORS LLP

Amount in INR Mn.

Particulars Period in Months	FY2048 12	FY2049 12	FY2050 12	FY2051 12	FY2052 12	FY2053 12	FY2054 3	TY
Revenues	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	2,559.9	701.3	2,559.9
EBIT	1,542.1	1,527.1	1,511.7	1,495.5	1,478.7	1,461.0	395.3	1,442.3
Less Tax	(534.4)	(531.7)	(528.7)	(525.3)	(521.6)	(517.7)	(146.6)	(363.0)
EBIT after Tax	1,007.6	995.4	983.1	970.2	957.0	943.3	248.7	1,079.3
Add: Depreciation	574.8	574.8	574.7	574.7	574.7	574.6	157.2	574.6
Less: Capital Expenditure	-	-	-	-	-	-	-	(574.6)
Add/Less: Changes in Working Capital	(3.8)	(4.0)	(4.1)	(4.2)	(4.3)	(4.4)	(4.6)	-
Free Cash flows	**1,578.6**	**1,566.2**	**1,553.7**	**1,540.8**	**1,527.4**	**1,513.4**	**401.4**	**1,079.3**
Time to Midpoint	26.76	27.77	28.77	29.77	30.77	31.77	32.41	32.41
Discount Rate	0.14	0.13	0.12	0.11	0.10	0.09	0.09	0.09
Discounted Cash Flow	**216.8**	**199.7**	**183.9**	**169.4**	**155.9**	**143.4**	**36.3**	**97.5**

Particulars	Amount in INR Mn
Present Value of Explicit Period	27,770.1
Present Value of Terminal Value	1,266.7
Business Enterprise Value (EV)	**29,036.8**
Add: Cash & Bank Balance	102.7
Less: Debt	(15,460.0)
Equity Value	**13,679.5**

RBSA VALUATION ADVISORS LLP

RM.

Appendix 7 - PJTL: Discounted Cash Flow Method

Discounted Cash Flow Analysis

Amount in INR Mn

Particulars	FY 21	FY 22	FY 23	FY 24	FY 25	FY 26	FY 27	FY 28
Period in Months	3	12	12	12	12	12	12	12
Revenues	639.9	2,522.1	2,522.1	2,522.1	2,522.1	2,522.1	2,522.1	1,771.8
EBIT	509.9	2,018.2	2,014.3	2,013.7	2,014.3	2,010.4	2,006.6	1,253.2
Less Tax	-	-	(241.6)	(336.4)	(378.3)	(413.5)	(443.1)	(279.3)
EBIT after Tax	509.9	2,018.2	1,772.7	1,677.2	1,636.0	1,596.9	1,563.6	973.9
Add: Depreciation	100.2	401.8	402.3	402.3	402.3	402.3	402.3	402.3
Less: Capital Expenditure	-	(29.3)	(15.7)	-	-	-	-	-
Add/Less: Changes in Working Capital	1.4	(3.0)	(3.1)	(3.2)	(3.3)	(3.4)	(3.5)	152.6
Free Cash flows	**611.5**	**2,387.7**	**2,156.2**	**2,076.3**	**2,035.0**	**1,995.8**	**1,962.3**	**1,528.8**
Time to Midpoint	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75
Discount Rate	0.99	0.95	0.88	0.82	0.76	0.71	0.66	0.61
Discounted Cash Flow	**606.0**	**2,260.6**	**1,897.2**	**1,697.8**	**1,546.3**	**1,409.4**	**1,287.9**	**932.4**

Amount in INR Mn

Particulars	FY2029	FY2030	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036
Period in Months	12	12	12	12	12	12	12	12
Revenues	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8
EBIT	1,254.1	1,254.8	1,255.5	1,251.3	1,246.9	1,242.4	1,237.7	1,232.8
Less Tax	(300.2)	(317.8)	(332.5)	(344.8)	(355.1)	(363.6)	(370.7)	(376.5)
EBIT after Tax	953.9	937.1	923.1	906.5	891.9	878.8	867.0	856.2
Add: Depreciation	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3
Less: Capital Expenditure	-	-	-	-	-	-	-	-
Add/Less: Changes in Working Capital	(3.7)	(3.8)	(3.9)	(4.1)	(4.2)	(4.3)	(4.4)	(4.6)
Free Cash flows	**1,352.4**	**1,335.5**	**1,321.4**	**1,304.7**	**1,290.0**	**1,276.8**	**1,264.8**	**1,253.9**
Time to Midpoint	7.75	8.75	9.75	10.75	11.75	12.75	13.75	14.76
Discount Rate	0.57	0.53	0.49	0.45	0.42	0.39	0.37	0.34
Discounted Cash Flow	**766.5**	**703.4**	**646.9**	**593.5**	**545.3**	**501.6**	**461.8**	**425.5**

Amount in INR Mn

Particulars	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044	FY2045
Period in Months	12	12	12	12	12	12	12	12	12
Revenues	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8
EBIT	1,227.8	1,222.9	1,217.9	1,212.6	1,207.1	1,201.4	1,195.5	1,189.2	1,182.6
Less Tax	(381.3)	(385.2)	(388.2)	(390.6)	(392.4)	(393.7)	(394.5)	(394.9)	(395.0)
EBIT after Tax	846.5	837.7	829.6	822.0	814.8	807.8	800.9	794.2	787.6
Add: Depreciation	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3
Less: Capital Expenditure	-	-	-	-	-	-	-	-	-
Add/Less: Changes in Working Capital	(4.7)	(4.8)	(5.0)	(5.1)	(5.3)	(5.5)	(5.6)	(5.8)	(6.0)
Free Cash flows	**1,244.1**	**1,235.2**	**1,226.9**	**1,219.2**	**1,211.7**	**1,204.6**	**1,197.6**	**1,190.7**	**1,183.9**
Time to Midpoint	15.76	16.76	17.76	18.76	19.76	20.76	21.76	22.76	23.76
Discount Rate	0.32	0.29	0.27	0.25	0.24	0.22	0.20	0.19	0.18
Discounted Cash Flow	**392.3**	**361.9**	**334.1**	**308.5**	**285.0**	**263.3**	**243.3**	**224.8**	**207.7**

RBSA VALUATION ADVISORS LLP

Amount in INR Mn

Particulars Period in Months	FY2046 12	FY2047 12	FY2048 12	FY2049 12	FY2050 12	FY2051 12	FY2052 12	FY2053 12	FY2054 9	TY
Revenues	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,771.8	1,334.9	1,771.8
EBIT	1,175.7	1,168.5	1,160.8	1,152.8	1,144.3	1,135.6	1,126.5	1,117.2	834.2	1,107.2
Less Tax	(394.8)	(394.3)	(393.5)	(392.4)	(391.2)	(389.7)	(388.0)	(386.0)	(289.2)	(278.7)
EBIT after Tax	780.9	774.2	767.3	760.3	753.1	745.9	738.6	731.1	544.9	828.5
Add: Depreciation	402.3	402.3	402.3	402.3	402.3	402.3	402.3	402.3	303.1	402.3
Less: Capital Expenditure	-	-	-	-	-	-	-	-	-	(402.3)
Add/Less: Changes in Working Capital	(6.1)	(6.3)	(6.5)	(6.7)	(6.9)	(7.1)	(7.3)	3.2	25.2	-
Free Cash flows	**1,177.1**	**1,170.1**	**1,163.1**	**1,155.9**	**1,148.5**	**1,141.1**	**1,133.5**	**1,136.6**	**873.2**	**828.5**
Time to Midpoint	24.76	25.76	26.76	27.77	28.77	29.77	30.77	31.77	32.65	32.65
Discount Rate	0.16	0.15	0.14	0.13	0.12	0.11	0.11	0.10	0.09	0.09
Discounted Cash Flow	**191.9**	**177.3**	**163.8**	**151.2**	**139.6**	**128.9**	**119.0**	**110.9**	**79.9**	**75.8**

Particulars	Amount in INR Mn
Present Value of Explicit Period	20,165.3
Present Value of Terminal Value	997.6
Business Enterprise Value (EV)	**21,163.0**
Add: Cash & Bank Balance	249.0
Less: Debt	(11,830.0)
Equity Value	**9,582.1**

RBSA VALUATION ADVISORS LLP

Appendix 8 - PVTL: Summary of Approvals & Licenses

S. No.	Approvals	Date of Issue	Issuing Authority
1	**Company Registration**	**02-03-2012**	**Ministry of Corporate Affairs - GoI**
2	**Transmission Licence (25 years)**	**08-01-2014**	**Central Electricity Regulatory Commission**
3	**Forest Clearance**	**Not Required**	
4	**Approval under Section 68 of Electricity Act,2003**	**08-03-2012**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**21-05-2014**	**Central Electricity Authority (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power & Telecommunication Coordination Committee clearance**		
8(1)	400 kV D/C Khamman to Nagarjuna	25-04-2015	PTCC - Government of India
8(2)	765 kV D/C Srikakulam-Vemagiri	29-09-2016	PTCC - Government of India
9	**Railway Crossing**		
	1. Srikakulam-Vemagiri 765 kV D/C line		
9(1)	Mast No. 11/14-16 b/w Mallividu-Lakkavarapukota	20-11-2015	East Coast Railway
9(2)	Track at km 12/5-12/6 b/w Pedasana-Temburu	20-11-2015	East Coast Railway
9(3)	Mast no. 456/7-9 b/w Gotlam-Garudabili	20-11-2015	East Coast Railway
9(4)	Mast no. 769/29-31 b/w sigadam-ponduru	20-11-2015	East Coast Railway
	2. 400 kV D/C Khammam – Nagarjuna Sagar		
9(5)	Mast no. 473/11-12 & 473/13-14 of Khammam-Dorknal	20-03-2015	South Central Railway
9(6)	Track at Km/TP: 123/5-123/6 b/w KDGL-MRGA	16-06-2015	South Central Railway
10	**Road Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line		
10(1)	NH-16 at km 853/612 at Prathipadu village	14-09-2016	National Highways Authority of India
10(2)	NH-43 in Nellivada village	18-08-2016	National Highways & CRF
	2. 400 kV D/C Khammam – Nagarjuna Sagar		
10(3)	NH-65 at km stone 168 - 169 of Hyderabad-Vijaywada	30-11-2015	National Highways Authority of India
11	**River Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line	No Major River Crossing in this line	
	2. 400 kV D/C Khammam – Nagarjuna Sagar line	No Major River Crossing in this line	
12	**Powerline Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line		
12(1)	400 kV D/C Kalpaka - Khammam Line	28-06-2016	AP Transco
12(2)	400 kV S/C Vijaywada-Gajuwada Line	08-05-2016	Power Grid Corporation of India Ltd
12(3)	400 kV D/C Vemagiri - Simhadry Line	31-07-2016	Power Grid Corporation of India Ltd
12(4)	132 kV Peddapuram - Prithipadu-I Line	08-09-2016	AP Transco
12(5)	132 kV Peddapuram - Prithipadu-II Line	08-09-2016	AP Transco
12(6)	132 kV Navabharat – Prithipadu Line	08-09-2016	AP Transco

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
12(7)	132 kV D/C Pendurti-TB Vara Line	18-06-2016	AP Transco
12(8)	132 kV S/C Koruprolu-Narisipatnam Line	29-05-2016	AP Transco
12(9)	220 kV S/C Line Seileru-Pendurthi line	21-04-2016	AP Transco
12(10)	400 kV D/C Jeypore-Gajuwaka Line	04-07-2016	Power Grid Corporation of India Ltd
12(11)	220 kV D/C BD Palem - Bobbili Line	08-09-2016	AP Transco
12(12)	132 kV S/C Ventithadi-TB Voora Line	08-05-2016	AP Transco
12(13)	132 kV S/C Garividi-TB Voora Line	08-05-2016	AP Transco
12(14)	132 kV S/C Garividi-Vontithadi Line	22-05-2016	AP Transco
12(15)	132 kV S/C Garividi-TB Voora Line	22-05-2016	AP Transco
12(16)	220 kV D/C Garividi-Pendurti Line	03-07-2016	AP Transco
12(17)	132 kV D/C Garividi Pydibhimavaram & Pydibhimavaram Chilakapalem Line	14-08-2016	AP Transco
12(18)	132 kV D/C Garividi-Palakonda & Pydibhimavaram Chilakapalem Line	24-07-2016	AP Transco
12(19)	220 kV D/C Garividi-Tekkali Line	10-07-2016	AP Transco
12(20)	132 kV D/C Garividi-Palakonda to Tekkali-Ponduru Line	25-08-2016	AP Transco
12(21)	132 kV D/C Tekkali - Pathapattanam	03-04-2016	AP Transco
12(22)	132 kV D/C Gaarividi-Tekkali	20-03-2016	AP Transco
	2. 400 kV D/C Khammam – Nagarjuna Sagar line		
12(23)	132 kV D/C Khammam-Dornakal Line	23-09-2015	South Central Railway
12(24)	132 kV D/C Khammam-Kusumanchi line	21-09-2015	Madhucon Sugar & Power Industries Limited
12(25)	132 kV D/C Kusumanchi - Madhucon line	21-09-2015	Madhucon Sugar & Power Industries Limited
12(26)	220 kV S/C KTPS -Miryalaguda Line	10-12-2015	TS Transco
12(27)	400 kV D/C VTPS -Malkaram Line	21-12-2015	TS Transco
12(28)	400 kV S/C Khammam- Nagarjuna Sagar Line	12-09-2015	Power Grid Corporation of India Ltd
12(29)	132 kV D/C Miryalaguda - Podugulla	02-12-2015	TS Transco
12(30)	132 kV Miryalaguda - Wadapalli Feeder 1&2	21-12-2015	TS Transco
12(31)	132 kV S/C Rentichintala - Parasakti SS line	02-12-2015	AP Transco
12(32)	132 kV Rentichintala - Nagarjuna Sagar Tail Pond Line	02-12-2015	AP Transco
12(33)	220 kV D/C Budidampadu - Bhuvanagiri	21-12-2015	TS Transco
12(34)	220 kV D/C Khammam - Miryalaguda	21-12-2015	TS Transco
12(35)	132 kV Miryalaguda - Dirsencherla and Miryalaguda - Matampalle	02-12-2015	TS Transco
12(36)	220 kV D/C Tallapalli to VTPS	02-12-2015	AP Transco
12(37)	132 kV S/C Budidampadu - Dornakal	02-12-2015	TS Transco
13	**Aviation Clearance - NOC for Transmission line**		
13(1)	765 kV D/C Srikakulam-Vemagiri line	19-08-2016	Eastern Naval Command, Naval Base, Visakhapattnam
13(2)	400 kV D/C Khammam - NagarjunaSagar line	Not Required	
14	**Defence Clearance- NOC from aviation angle for construction**	**Not Required**	
15	**Transmission service agreements**	**14-05-2013**	
16	**Approval for adoption of Tariff (35 years)**	**23-01-2014**	**Central Electricity Regulatory Commission**

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

Appendix 9 - PKATL: Summary of Approvals & Licenses

Sr No.	Approvals	Date of Issue	Issuing Authority
1	**Company Registration**	**29-07-2013**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**04-09-2014**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
3(1)	4.094 ha within jurisdiction of Nahan Forest Division (H.P.)	21-12-2016	GOI-Ministry of Environment, Forests & Climate Change
4	**Approval under Section 68 of Electricity Act,2003**	**16-09-2013**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**27-04-2016**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power & Telecommunication coordination committee clearance**		
8(1)	400 kV D/C Karcham Wangtoo-Abdullapur TL (LILO)	02-05-2017	PTCC - Government of India
9	**Railway Crossing**	**Not Required**	
10	**Road Crossing**	**Not Required**	
11	**River Crossing**	**Not Required**	
12	**Powerline Crossing**	**Not Required**	
13	**Aviation Clearance - NOC for Transmission line**	**09-05-2016**	**Airports Authority of India**
14	**Defence Clearance- NOC from aviation angle for construction**		
14(1)	400 kV D/C Karcham Wangtoo-Abdullapur Line	17-10-2016	Ministry of Defence
15	**Transmission service agreements**	**02-01-2014**	
16	**Approval for adoption of Tariff (35 years)**	**22-08-2014**	**Central Electricity Regulatory Commission**

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

RM.

Appendix 10 - PPTL: Summary of Approvals & Licenses

S. No.	Approvals	Date of Issue	Issuing Authority
1	**Company Registration**	**30-07-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**10-07-2015**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
3(1)	27.846 ha for 765kV D/C Warora-Parli TL in Maharashtra	02-09-2017	GOI-Ministry of Environment, Forests & Climate Change
	2. Parli (new) - Solapur 765 kV D/C line	**No Forest**	
	3. Parli (New) - Parli (PG) 400 kV D/C line	**No Forest**	
4	**Approval under Section 68 of Electricity Act,2003**	**10-12-2014**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**28-06-2017**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power & Telecommunication coordination committee clearance**		
8(1)	765 kV D/C Warora-Parli T/L (Length-346.802 KM)	05-05-2018	PTCC - Government of India
8(2)	765 kV D/C line from Solapur-New Parli(Length-117.958 KM)	02-04-2018	PTCC - Government of India
8(3)	400 kV D/C line from Parli-New Parli(Dhanora) (Length - 18.236 KM)	02-04-2018	PTCC - Government of India
9	**Railway Crossing**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
9(1)	Track at KM No. 326/5-326/6 b/w Chudawa-Purna	17-01-2017	South Central Railway
9(2)	Track at Km 246/14-Km 247/1 b/w Ghatnandur-Parli	16-02-2018	South Central Railway
	2. Parli (new) - Solapur 765 kV D/C line		
9(3)	Track at location 497/3-4 kms b/w Murud and Ausa Road	06-11-2017	Central Railway
	3. Parli (New) - Parli (PG) 400 kV D/C line	**No Railway Crossing**	
10	**Road Crossing**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
10(1)	NH-7 b/w chainage 108/6 & 108/4 near village yerla	09-01-2018	National Highways Authority of India
10(2)	NH-222 @ Ch.525/800 i.e., b/w km 525 & 526 km	12-01-2018	Public Works Department (Govt of Maharashtra)
	2. Parli (new) - Solapur 765 kV D/C line		
10(3)	NH-09(Solapur-Hyderabad) b/w Solapur 31.7 Km & Naldurg 14.3 Km	14-10-2017	National Highways Authority of India
	3. Parli (New) - Parli (PG) 400 kV D/C line	No Road Crossing	
11	***River Crossing***	***No Major River Crossing in this lines***	

RBSA VALUATION ADVISORS LLP
RM.

S. No.	Approvals	Date of Issue	Issuing Authority
12	***Powerline Crossing***		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
12(1)	400 kV S/C Kumbhargaon-Parli line	30-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(2)	400 kV D/C Chandrapur-Parli line	30-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(3)	132 kV D/C Pusad Umarkhed line	09-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(4)	132 kV Gagankhed - Kandhar line	03-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(5)	220 kV Nanded-Ghatodi DCDC line	03-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(6)	220 kV Parli New TPS - Waghala DCDC line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(7)	220 kV Parli - Harangul line	26-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(8)	132 kV Girwali-Latur MIDC DCDC line	26-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(9)	220 kV Osmanabad-parli line & 220kV Girwali-Murud line	21-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(10)	400 kV D/C Parli-Solapur line	21-03-2017	Reliance Infrastructure Limited
	2. Parli (new) - Solapur 765 kV D/C line		
12(11)	132 kV D/C Ujani-Naldurga-Solapur line	04-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(12)	400 kV D/C Solapur (PG) - Parli (PG) line	04-04-2017	Reliance Infrastructure Limited
12(13)	132 kV S/C Bale-Akkalkot	06-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(14)	132 kV Bale (Solapur)-Ujani Line	01-10-2016	Maharashtra State Electricity Transmission Co. Ltd
12(15)	132 kV Ujani-B.A.S.S.K. Keshegaon line	01-10-2016	Maharashtra State Electricity Transmission Co. Ltd
12(16)	220 kV Osmanabad-parli line & 220kV Girwali-Murud line	19-11-2016	Maharashtra State Electricity Transmission Co. Ltd
	3. Parli (New) - Parli (PG) 400 kV D/C line		
12(17)	132 kV Girwali - Kaij Line	06-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(18)	400 kV S/C Girwali-Lamboti (Solapur) Line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(19)	400 kV D/C Girwali-Lonikand line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(20)	400 kV D/C Parli-Solapur line (Loc No. 15 & 16)	14-07-2016	Reliance Infrastructure Limited
12(21)	400 kV S/CGirwali - Solapur (Lamboti) & 400 kV D/C Girwali-Lonikand line	09-06-2016	Maharashtra State Electricity Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission line**		
13(1)	NOC ID : AKOL/WEST/P/012017/192829	24-05-2017	Airports Authority of India
13(2)	NOC ID : AKOL/WEST/P/012017/192829/2	24-05-2017	Airports Authority of India

RBSA VALUATION ADVISORS LLP

RM

S. No.	Approvals	Date of Issue	Issuing Authority
13(3)	NOC ID : AKOL/WEST/P/012017/192829/3	24-05-2017	Airports Authority of India
13(4)	NOC ID : AKOL/WEST/P/012017/192829/4	24-05-2017	Airports Authority of India
13(5)	NOC ID : AKOL/WEST/P/012017/192829/5	24-05-2017	Airports Authority of India
13(6)	NOC ID : AKOL/WEST/P/012017/192829/6	24-05-2017	Airports Authority of India
13(7)	NOC ID : AKOL/WEST/P/012017/192829/7	24-05-2017	Airports Authority of India
13(8)	NOC ID : AKOL/WEST/P/012017/192829/8	24-05-2017	Airports Authority of India
13(9)	NOC ID : AKOL/WEST/P/012017/192829/9	07-11-2017	Airports Authority of India
13(10)	NOC ID : AKOL/WEST/P/012017/192829/10	07-11-2017	Airports Authority of India
13(11)	NOC ID : AKOL/WEST/P/012017/192829/11	24-05-2017	Airports Authority of India
13(12)	NOC ID : AKOL/WEST/P/012017/192829/12	24-05-2017	Airports Authority of India
13(13)	NOC ID : SOLA/WEST/P/100516/176012	24-05-2017	Airports Authority of India
13(14)	765kV D/C Solapur to Parli/Dhanora (PG) Transmission Line	31-10-2017	Indian Air Force
14	**Defence Clearance- NOC from aviation angle for construction**		
14(1)	765 kV D/C Warora to Parli(New) Transmission Line	07-11-2017	Ministry of Defence
14(2)	765 kV D/C Solapur - Parli Transmission Line	13-10-2017	Ministry of Defence
14(3)	400 kV D/C Parli (PG) to Parli (New) Transmission Line	27-10-2017	Ministry of Defence
15	**Transmission service agreements**	**09-02-2015**	
16	**Approval for adoption of Tariff (35 years)**	**23-06-2015**	**Central Electricity Regulatory Commission**

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP
RM.

Appendix 11 - PWTL: Summary of Approvals & Licenses

S. No.	Approvals	Date of Issue	Issuing Authority
1	**Company Registration**	**05-08-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**05-08-2015**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
	1. 765 kV D/C Gadarwara STPS – Warora		
3(1)	50.731 ha for 765 KV D/C transmission line from Gadarwara to Warora (Maharashtra)	28-06-2017	GOI-Ministry of Environment, Forests & Climate Change
3(2)	165.528 ha for 765 KV D/C TL Gadarwara STPS to Warora (MP)	29-05-2017	APCCF, MP, Bhopal
	2. 765 kV D/C Gadarwara STPS – Jabalpur Line	No Forest	
	3. 400 kV D/C LILO of Wardha-Parli Line at Warora	No Forest	
4	**Approval under Section 68 of Electricity Act,2003**	**26-11-2014**	**Ministry of Power**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**11-04-2017**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power & Telecommunication coordination committee clearance**		
	1.765 kV D/C Gadarwara STPS – Warora		
8(1)	765 kV (HEX BUNDLE) Gadarwara-Warora Transmission line (RL 129.558)	29-01-2018	PTCC - Government of India
	2. 400 kV D/C LILO of Wardha-Parli		
8(2)	400 kV D/C LILO Line on Wardha-Parli Line for Warora S/s	12-03-2018	PTCC - Government of India
	3.765 kV D/C Gadarwara STPS - Jabalpur		
8(3)	765 kV D/C LILO Line on existing Seoni-Bina TL	18-11-2016	PTCC - Government of India
8(4)	765 kV D/C TL from Jabalpur Pooling S/s-Gadarwara (balance portion)	31-03-2017	PTCC - Government of India
9	**Railway Crossing**		
	1.765 kV D/C Gadarwara STPS – Warora Line		
9(1)	Mast No. 790/10/16 & 790/10/17 (35 years)	16-11-2017	Central Railway
9(2)	Mast No. 792/7-9 & 792/8-10 (35 years)	16-11-2017	Central Railway
9(3)	Mast No. 801B/27-28 & 802B/1-2 (35 years)	16-11-2017	Central Railway
9(4)	Mast No. 1012/11,1012/12 & 1012/3,4 (35 years)	12-06-2018	Central Railway
9(5)	Ch No. 63301	21-12-2017	South East Central Railway, Nagpur
9(6)	Ch No. 81350	21-12-2017	South East Central Railway, Nagpur
9(7)	Ch No. 29100	15-02-2018	South East Central Railway, Nagpur
9(8)	KM No.1247/1-2 b/w Chindwara-Jhilmili	21-12-2017	South East Central Railway, Nagpur
	2. 400 kV D/C LILO of Wardha-Parli Line	No Railway Crossing	
	3.765 kV D/C Gadarwara STPS – Jabalpur Line	No Railway Crossing	

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
10	**Road Crossing**		
	1.765 kV D/C Gadarwara STPS – Warora Line		
10(1)	NH-361 Chainage 508.493 village Sawangi	09-01-2018	National Highways Authority of India
10(2)	NH-44 at 68.078 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
10(3)	Nagpur-Mumbai Express Highway at Ch. 17600& 17700	23-01-2017	Maharashtra State Road Development Corporation Ltd
10(4)	NH-47 at Km 44+700 from RHS to LHS MH Section	30-05-2018	National Highways Authority of India
10(5)	NH-6 at Km 27.000 to 28.000 at village Bajargaon	18-12-2017	National Highways Authority of India
10(6)	NH-347 b/w km 98 &km 99	18-05-2017	Ministry of Road Transport & Highways - GOI
	2.400 kV D/C LILO of Wardha-Parl Line		
10(7)	NH-44 at 90.810 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
10(8)	NH-44 at 90.910 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
	3.765 kV D/C Gadarwara STPS – Jabalpur Line		
10(9)	NH-26 b/w km 357 &km 358	07-04-2017	National Highways Authority of India
10(10)	NH-547 b/w km 205 &km 206	18-07-2017	Ministry of Road Transport & Highways - GOI
11	**River Crossing**	**No Major River Crossing in this lines**	
12	**Powerline Crossing**		
	1.765 kV D/C Gadarwara STPS - Warora		
12(1)	132 kV D/C Ambazari- Amravati Line & Ambazari-Arvi Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(2)	220 kV D/C Abhijit-Wardha Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(3)	400 kV D/C Koradi-Wardha Line & Koradi-IEPL Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(4)	220 kV D/C Butibori(3)-Purti & Butibori(3)-Wardha Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(5)	220 kV D/C Butibori(3)-Purti & Purti-Bhugaon Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(6)	400 kV D/C Koradi- IEPL & IEPL - Warora Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(7)	132 kV D/C Hinganghat - Jam Line	26-09-2016	Maharashtra State Electricity Transmission Co. Ltd
12(8)	220 kV D/C Wardha-Warora Line	03-01-2017	Maharashtra State

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
			Electricity Transmission Co. Ltd
12(9)	220 kV Warora-Wardha Ckt I & Warora-Hinganghat Ckt II	26-09-2016	Maharashtra State Electricity Transmission Co. Ltd
12(10)	132 kV D/C Hinganghat - M/S ISMT Line	05-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(11)	400 kV D/C Mouda-Wardha Line	24-05-2016	Power Grid Corporation of India Ltd
12(12)	400 kV D/C Raipur-Wardha Line	30-05-2016	Power Grid Corporation of India Ltd
12(13)	765 kV D/C Raipur(Durg) - Wardha TL (Ckt 1 & 2)	30-12-2016	Power Grid Corporation of India Ltd
12(14)	765 kV D/C Raipur(Durg) - Wardha TL (Ckt III & IV)	28-12-2016	Power Grid Corporation of India Ltd
12(15)	765 kV S/C Tiroda-Koradi CKt-I Line	02-05-2017	Maharashtra Eastern Grid Power Transmission Co. Ltd
12(16)	765 kV S/C Tiroda-Koradi CKt-II Line	02-05-2017	Maharashtra Eastern Grid Power Transmission Co. Ltd
12(17)	220 kV S/C Kalmeshwar - Pandhurna Line	26-04-2018	Maharashtra State Electricity Transmission Co. Ltd
12(18)	400 kV S/C Seoni-Sarni Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(19)	220 kV D/C Seoni - Chhindwara Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(20)	132 kV D/C Seoni - Chhindwara Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(21)	132 kV D/C Chhindwara - Bicchua Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(22)	400 kV D/C Koradi II - Koradi III (Tidangi) Line	08-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(23)	132 kV S/C Kalmeshwar - Katol Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(24)	220 kV S/C Ambazari - Amravati Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(25)	400 kV S/C Koradi - Indiabull (Ckt-II) Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(26)	400 kV S/C Koradi - Bhusawal (CKt-II) Line	07-07-2017	Maharashtra State Electricity Transmission Co. Ltd
12(27)	132 kV Chichili - Karapgaon Line	10-04-2017	Madhya Pradesh Power Transmission Co. Ltd RBSA VALUATION ADVISORS LLP RM.
	2.765 kV D/C Gadarwara STPS - Jabalpur		

S. No.	Approvals	Date of Issue	Issuing Authority
12(28)	220 kV D/C Jabalpur-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(29)	132 kV S/C Jabalpur-Shrinagar-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(30)	132 kV DCDS Shahpura LILO Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(31)	132 kV Chichili-Karapgaon Line	07-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(32)	132 kV Narsinghpur-Devnagar Line	12-01-2017	Madhya Pradesh Power Transmission Co. Ltd
	3.400 kV D/C LILO of Wardha-Parli		
12(33)	220 kV D/C Bhugaon-Pusad Line (Loc 42-43)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(34)	220 kV D/C Bhugaon-Pusad D/C Line (Loc 2/1-2/2)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(35)	220 kV D/C Bhugaon-Pusad D/C Line (Loc 39-40)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(36)	400 kV D/C Wardha-Warora D/C Line (Loc 112-113)	03-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(37)	400 kV D/C Wardha-Warora D/C Line (Loc 109-111)	03-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(38)	220 kV D/C Deoli-Ghatodi	02-03-2017	Maharashtra State Electricity Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission line**		
	1.765 kV D/C Gadarwara STPS - Warora		
13(1)	NOC ID : NAGP/WEST/P/042617/214700	18-05-2017	Airports Authority of India
13(2)	NOC ID : NAGP/WEST/P/042617/214700/2	18-05-2017	Airports Authority of India
13(3)	NOC ID : NAGP/WEST/P/042617/214700/3	18-05-2017	Airports Authority of India
13(4)	NOC ID : NAGP/WEST/P/042617/214700/4	18-05-2017	Airports Authority of India
13(5)	NOC ID : NAGP/WEST/P/042617/214700/5	18-05-2017	Airports Authority of India
13(6)	NOC ID : NAGP/WEST/P/042617/214700/6	18-05-2017	Airports Authority of India
13(7)	NOC ID : NAGP/WEST/P/042617/214700/7	31-05-2017	Airports Authority of India
13(8)	NOC ID : NAGP/WEST/P/042617/214700/8	01-06-2017	Airports Authority of India
13(9)	NOC ID : NAGP/WEST/P/042617/214700/9	31-05-2017	Airports Authority of India
13(10)	NOC ID : NAGP/WEST/P/042617/214700/10	31-05-2017	Airports Authority of India
13(11)	NOC ID : NAGP/WEST/P/042617/214700/11	31-05-2017	Airports Authority of India
13(12)	NOC ID : NAGP/WEST/P/042617/214700/12	31-05-2017	Airports Authority of India
13(13)	NOC ID : NAGP/WEST/P/042617/214700/13	31-05-2017	Airports Authority of India
13(14)	NOC ID : NAGP/WEST/P/042617/214700/14	31-05-2017	Airports Authority of India
13(15)	NOC ID : NAGP/WEST/P/042617/214700/15	23-01-2018	Airports Authority of India
13(16)	NOC ID : NAGP/WEST/P/042617/214700/16	31-05-2017	Airports Authority of India
13(17)	NOC ID : NAGP/WEST/P/042617/214700/17	31-05-2017	Airports Authority of India
13(18)	NOC ID : NAGP/WEST/P/042617/214700/18	08-06-2017	Airports Authority of India
13(19)	NOC ID : NAGP/WEST/P/122817/271674	19-01-2018	Airports Authority of India
	2.400 kV D/C LILO of Wardha-Parli at Warora	**Not Required**	
14	**Defence Clearance- NOC from aviation angle for**		

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
	construction		
	1. 765 kV D/C Gadarwara STPS - Warora		
14(1)	765 kV Gadarwara to Warora (Hexa)	02-05-2017	Ministry of Defence
14(4)	765 kV D/C Gadarwara-Warora Transmission Line	02-07-2018	Ministry of Defence
	2. 400 kV D/C LILO of Wardha-Parli at Warora		
14(2)	400 kV 2* D/C LILO of Both Circuits Wardha-Parli	27-06-2017	Ministry of Defence
	3.765 kV D/C Gadarwara STPS - Jabalpur		
14(3)	765 kV D/C Gadarwara to Jabalpur	05-01-2017	Ministry of Defence
15	**Transmission service agreements**	**09-02-2015**	
16	**Approval for adoption of Tariff (35 years)**	**23-06-2015**	**Central Electricity Regulatory Commission**

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP *

RM.

Appendix 12 - PJTL: Summary of Approvals & Licenses

S. No.	Approvals	Date of Issue	Issuing Authority
1	**Company Registration**	**14-08-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**15-06-2015**	**Central Electricity Regulatory Commission**
3	**Forest Clearance**		
3(1)	241.0995 ha at Singrauli Satna & Sidhi Districts(MP)	20-02-2018	Ministry of Environment and Forest, Madhya Pradesh
4	**Approval under Section 68 of Electricity Act,2003**	**22-09-2014**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**15-09-2016**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power & Telecommunication coordination committee clearance**		
8(1)	765 kV Vindhyanchal Pooling to Jabalpur Pooling Line	03-10-2018	PTCC - Government of India
9	**Railway Crossing**		
9(1)	Katni-Singrauli Railway Line at 1293/6-7	16-03-2017	West Central Railway
9(2)	Niwas-JP plant Coal Link	28-07-2017	West Central Railway
9(3)	Jabalpur-Manikpur railway Line at 1093/7-8	16-03-2017	West Central Railway
9(4)	Itarsi-Jabalpur Railway Line at 970/2-3	13-10-2016	West Central Railway
9(5)	Bina-Katni Railway Line at 1223/3-4	03-03-2017	West Central Railway
10	**Road Crossing**		
10(1)	NH-7 at km 355+134 (Rewa-Katni-Jabalpur)	23-06-2017	National Highways Authority of India
11	**River Crossing**		
11(1)	Son River	23-02-2018	Ministry of Environment and Forest (Sanjay Tiger Reserve)
11(2)	Banas River	23-02-2018	Ministry of Environment and Forest (Sanjay Tiger Reserve)
12	**Powerline Crossing**		
12(1)	765 kV D/CJabalpur-Bina Transmission Line	18-04-2017	Power Grid Corporation of India Ltd
12(2)	765 kV S/C Jabalpur-Bina Transmission Line	26-06-2017	Sterlite Power Transmission Limited
12(3)	765 kV S/C Jabalpur-Bhopal Transmission Line	26-06-2017	Sterlite Power Transmission Limited
12(4)	800 kV HVDC Bipole Champa-Kurukshetra Line	31-12-2016	Power Grid Corporation of India Ltd

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
12(5)	765 kV S/C Sasan-Satna Ckt-1 Line	12-08-2016	Power Grid Corporation of India Ltd
12(6)	765 kV S/C Sasan-Satna Ckt-2 Line	12-08-2016	Power Grid Corporation of India Ltd
12(7)	765 kV D/C Vindhyanchal Pooling- Satna Ckt-1&2 Line	12-08-2016	Power Grid Corporation of India Ltd
12(8)	400 kV D/C Vindhyanchal-Jabalpur Ckt-I&II line	02-02-2017	Power Grid Corporation of India Ltd
12(9)	765 kV S/C Satna-Vindhyanchal Ckt-I line	02-02-2017	Power Grid Corporation of India Ltd
12(10)	765 kV S/C Satna-Vindhyanchal Ckt-II Line	02-02-2017	Power Grid Corporation of India Ltd
12(11)	220 kV Katni-Maihar Line	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(12)	220 kV Satna-Birsinghpur LILO	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(13)	132 kV Jinna-Amarpatan Line	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(14)	132 kV Rewa_bansagar LILO	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(15)	400 kV D/C Vindhyanchal-Jabalpur Ckt-III & IV	22-12-2016	Power Grid Corporation of India Ltd
12(16)	400 kV Katni-Damoh Line	06-05-2017	Madhya Pradesh Power Transmission Co. Ltd
12(17)	400 kV D/C Birsinghpur-Damoh Line	22-12-2016	Power Grid Corporation of India Ltd
12(18)	132 kV Panagar-Katangi Line	14-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(19)	132 kV Patan – Panagar Line	14-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(20)	132 kV S/C Jabalpur-Damoh Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(21)	400 kV D/C Jabalpur Pool- Itarsi TL Ckt 1 &2	09-01-2017	Power Grid Corporation of India Ltd
12(22)	400 kV D/C Jabalpur Pool- Itarsi TL Ckt 3 &4	09-01-2017	Power Grid Corporation of India

RBSA VALUATION ADVISORS LLP

S. No.	Approvals	Date of Issue	Issuing Authority
			Ltd
12(23)	220 kV D/C Sukhi-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(24)	132 kV Anuppur - Rajmilan Line	20-03-2018	Madhya Pradesh Power Transmission Co. Ltd
12(25)	132 kV Kymore-Barhi Line	20-03-2018	Madhya Pradesh Power Transmission Co. Ltd
12(26)	400 kV Mahan - Vindhyanchal & Mahan-Korba (LILO)	26-06-2017	Essar Power Transmission Company Limited
12(27)	400 kV D/C (Quad) Mahan-Sipat Line	26-06-2017	Essar Power Transmission Company Limited
12(28)	220 kV Satna- Birsinghpur Pali Line	27-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(29)	132 kV Rewa (Bansagar-II) – Bansagar-III (Deolon) Line	27-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(30)	132 kV Katni- Kaimur Line	19-05-2018	Madhya Pradesh Power Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission Line**		
13(1)	JABA/WEST/P/092317/248125/9	07-11-2017	Airports Authority of India
14	**Defence Clearance- NOC from aviation angle for construction**		
	765 kV Vindhyachal-Jabalpur Pooling Line	02-11-2018	Ministry of Defence
15	**Transmission service agreements**	**19-11-2014**	
16	**Approval for adoption of Tariff (35 years)**	**28-05-2015**	**Central Electricity Regulatory Commission**

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP
RM..

Appendix 13 - PVTL: Fixed Asset Summary as of 31st December 2020 (INR Mn)

Asset Type	Gross Block	Depreciation	Net Block	% of Asset depreciated
Transmission	13,097.1	2,722.0	10,375.1	20.8%
Construction and Workshop equipment	0.1	0.0	0.1	23.0%
Furniture Fixtures	0.1	0.0	0.0	42.9%
Workshop and testing equipment	0.3	0.1	0.2	22.0%
Electronic Data Processing & Word Processing Machines	0.4	0.4	-	100.0%
Total	13,097.9	2,722.4	10,375.4	

Source: Audited Financials

RBSA VALUATION ADVISORS LLP
RM.

Appendix 14 - PKATL: Fixed Asset Summary as of 31st December 2020 (INR Mn)

Asset Type	Gross Block	Depreciation	Net Block	% of Asset depreciated
Land – Free Hold	29.9	0.0	29.9	0.0%
Transmission	100.8	16.2	84.6	16.0%
Sub-Station and Office	147.3	16.3	131.1	11.0%
Water Supply Drainage	8.8	0.8	8.0	9.0%
Furniture & Fixture	1.7	0.4	1.3	24.6%
Sub-Station	2,914.8	469.9	2,444.9	16.1%
Electronic Data Processing & Word Processing Machines	0.0	0.0	0.0	100.0%
Office Equipment	0.2	0.1	0.1	38.4%
Electrical Installation	2.7	0.6	2.1	22.7%
Workshop and testing equipment	3.5	0.0	3.5	1.0%
Intangibles	4.2	0.7	3.4	17.6%
Total	3,214.0	505.0	2,708.9	

Source: Audited Financials

RBSA VALUATION ADVISORS LLP
RM.

Appendix 15 - PPTL: Fixed Asset Summary as of 31st December 2020 (INR Mn)

Asset Type	Gross Block	Depreciation	Net Block	% of Asset depreciated
Land – Free Hold	41.4	0.0	41.4	0.0%
Transmission	15,269.1	1,776.3	13,492.9	11.6%
Sub-Station and Office	41.9	3.7	38.2	8.9%
Workshop and testing Equipment	0.5	0.1	0.4	12.1%
Substation	3,015.5	359.8	2,655.7	11.9%
Office Equipment	1.4	0.3	1.1	21.6%
Intangibles	92.9	10.8	82.0	11.6%
Total	18,462.7	2,150.9	16,311.7	

Source: Audited Financials

RBSA VALUATION ADVISORS LLP *

Appendix 16 - PWTL: Fixed Asset Summary as of 31st December 2020 (INR Mn)

Asset Type	Gross Block	Depreciation	Net Block	% of Asset depreciated
Land – Freehold	129.9	-	129.9	0.0%
Transmission	17,486.1	2,083.8	15,402.3	11.9%
Sub-Station	4,203.5	462.2	3,741.3	11.0%
Unified Load Despatch & Communication	30.1	3.9	26.2	12.8%
Furniture Fixtures	6.3	1.3	4.9	21.2%
Office equipment	0.1	0.1	0.0	66.7%
Electronic Data Processing & Word Processing Machines	0.0	0.0	0.0	91.3%
Miscellaneous Assets/Equipment	0.1	0.0	0.1	28.1%
Intangibles	464.6	51.9	412.7	11.2%
Total	22,320.7	2,603.2	19,717.4	

Source: Audited Financials

RBSA VALUATION ADVISORS LLP *
RM.

Appendix 17 - PJTL: Fixed Asset Summary as of 31st December 2020 (INR Mn)

Asset Type	Gross Block	Depreciation	Net Block	% of Asset depreciated
Transmission	14,617.1	1,239.2	13,377.9	8.5%
Furniture Fixture	0.2	0.0	0.1	26.0%
Office Equipment	0.1	0.0	0.1	37.9%
Electronic Data Processing & Word Processing Machines	0.3	0.2	0.1	79.0%
Intangibles	677.2	58.7	618.5	8.7%
Total	15,294.9	1,298.1	13,996.7	

Source: Audited Financials

RBSA VALUATION ADVISORS LLP ★
R.M.

Appendix 18 - PVTL: On-going material litigations including tax disputes.

S. No.	Nature of the matter	Name of the Petitioner/ Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts	Current status of the matter and the next date of hearing
(I) STATUTORY OR REGULATORY								
NIL								
(II) CRIMINAL PROCEEDINGS								
NIL								
(III) OTHER PENDING LITIGATION								
1	Writ Petition	Allu Sivaramakrishna & 5 Ors.	POWERGRID & 2 Ors	High Court of AP at Amaravati	Not quantifiable	WP No. 46034/2016	WP filed to issue a writ, order or direction to POWERGRID & PVTL not to erect tower using the land of the petitioners, situated at Gonedu Village, Kirlampudi Mandal, East Godavari District for establishment of 765kV Srikakulam - Vemagiri D/C Power Transmission Line without paying suitable and adequate compensation as per the provisions contemplated under "The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013" and consequently direct the 2nd respondent	Listed on 01.06.2017 for admission but not reached for hearing. The matter is sub-judice and to be listed for admission.

RBSA VALUATION ADVISORS LLP * RM.

S. No.	Nature of the matter	Name of the Petitioner/ Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts	Current status of the matter and the next date of hearing
							to pay the suitable and sufficient compensation by settling the cost of the lands as per the prevailing market rate and the cost of the plants and trees damaged and to pass such other order.	
2	Writ Petition	Ch. Pullaiah & Anr	POWERGRID & Anr.	High Court for the State of Telangana at Hyderabad	Not quantifiable	WP No. 37560/2014	WP filed with a prayer to issue a Direction directing POWERGRID not to take the transmission line through the lands of the petitioners and also lay any towers/poles of 400kV Khammam-Nagarjunasagar TL in their lands in Survey Nos. 168 and 170/A situated at Daaredu Village, Khammam Rural Mandal, Khammam District without following due process of law and without paying compensation.	Heard on 29.12.2014, however, stay was not granted, and further time given to POWERGRID for filing counter. The matter is sub-judice and to be listed for hearing. Work has been completed at the location.

RBSA VALUATION ADVISORS LLP
RM.

S. No.	Nature of the matter	Name of the Petitioner/ Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts	Current status of the matter and the next date of hearing
3	Writ Petition	PVTL	CTO & 3 Ors	High Court for the State of Telangana at Hyderabad	INR 96,280,607	WP No. 13305/2020	WP filed by PVTL to pass an order or direction or any other proceedings one in the nature of writ of mandamus or any other appropriate writ or order or direction under Art 226 of the Constitution of India setting aside the order of the 2nd Respondent in ADC Order No 1077 and Appeal No 5/25/201819 dated 17 06 2020 and upholding the order of the 1st Respondent in imposing entry tax under the Telangana Tax on Entry of Goods Into Local Areas Act 2001 for the period 2014-15 and 2015-16 and thereby confirming a tax of INR 96,280,607 as being illegal arbitrary violative of provisions of Section 32 of Telangana Tax on Entry of Goods into Local Areas Act 2001 and in violation of principles of natural justice and contrary to the decisions of the Hon'ble Courts violative of Articles 14, 19 and 265 of the Constitution of India.	Heard on 20.08.2020 and the Hon'ble High Court was pleased to grant stay of the operation of the Assessment Order till the disposal of the WP, by Order dated 20.08.2020.

RBSA VALUATION ADVISORS LLP
RM.

S. No.	Nature of the matter	Name of the Petitioner/ Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts	Current status of the matter and the next date of hearing
4	Writ Petition	PVTL	State of Telangana & 2 Ors	High Court for the State of Telangana at Hyderabad	INR 912,437	WP No. 23397/2020	Challenged the Assessment Order No.50104 dated 30.03.2020 of CTO, Gandhi Nagar Circle, Hyderabad, under CST Act, 1956, assessing the tax amount on the total gross turnover of INR 6,292,672 for the stocks transferred to the State of Telangana during the year 2015-16 for establishment of a 400kV Khammam-Nagarjunasagar TL under TBCB.	The Hon'ble High Court, by Order dated 06.01.2021, has allowed the Writ Petition and set aside the Assessment Order dated 30.03.2020.

RBSA VALUATION ADVISORS LLP
RM.

Appendix 19 - PKATL: On-going material litigation matters including tax disputes.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
i) STATUTORY OR REGULATORY								
1	Regulatory	POWERGRID KALA AMB Transmission Limited	PTC India Limited	CERC	INR 160,000,000	604/MP/2020	Application for Amendment under section 18 of the of the Electricity Act, 2003 of transmission licence no. 30/Transmission/2014/CERC dated 04.09.2014 of NRSS XXXI(A) Transmission Limited under section 14 of the Electricity Act, 2003 and CERC (Procedure, Terms, and conditions for grant of transmission licence and other related matters) Regulations, 2009 so as to incorporate additional scope for establishment of scheme "125MVAr Bus Reactor at Kala Amb Substation" on BOOM basis.	Preliminary Scrutiny
(ii)	**CRIMINAL PROCEEDINGS**							
NIL								
(iii)	**OTHER PENDING LITIGATION**							
NIL								

RBSA VALUATION ADVISORS LLP
RM.

Appendix 20 - PPTL: On-going material litigation matters including tax disputes.

Sr. No.	Nature of the matter	Name of the Petitioner/ Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
(I) STATUTORY OR REGULATORY								
1	Regulatory	POWERGRID Parli Transmission Company Limited	Maharashtra State Electricity Distribution Company Ltd. & Ors	Central Electricity Regulatory Commission	INR 715.4 Mn Capital Cost resulting into increase in Transmission Tariff by 3.03 percent	264/MP/2020	Petition filed for claiming increase transmission Tariff due to cost increment on account of force majeure and change in law	Vide Order dated 29.01.2021 CERC has directed that PPTL shall be compensated for the following on account of the Change in Law events: a) Increase in acquisition price by BPC; b) Additional expenditure on account of GST Laws; and c) Notification of Policy on land compensation dated 31.05.2017 by the Government of Maharashtra. As per the said Order, LTTCs shall verify the claims of PPTL on

RBSA VALUATION ADVISORS LLP ★ RM.

Sr. No.	Nature of the matter	Name of the Petitioner/ Appellant/	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
								account of policy on land compensation within 30 days of submission of details. Further, PPTL to submit the proof of payment towards GST to LTTCs. PPTL has submitted the requisite documents to LTTCs on 03.02.2021 and response of LTTCs is awaited.
(ii) CRIMINAL PROCEEDINGS								
1	Criminal	Shantabai Kalunke	James T George and 4 others	District and Session Court, Ambajogai	Not quantifiable	Criminal Miscellaneous Application 26/2017	During the Construction of New Parli S/S, Case has been filed under 3(1)(G) of Scheduled Castes and the Scheduled Tribes (Prevention of Atrocities) Act, 1989 along with Section 354, 323, 504, 506, 34 of Indian Penal Code, 1860 against 5 employees of POWERGRID.	The case was pending for arguments on last hearing on 17.02.2021. The matter is sub-judice and the next date of hearing is 10.03.2021 for further arguments.
(iii) OTHER PENDING LITIGATION								

RBSA VALUATION ADVISORS LLP *
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/ Appellant/	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
1	Civil (Land Matter)	Ishwar annasaheb Kalunke and four others	Power Grid Corporation of India	Civil Court, Ambajogai	Not quantifiable	RCS No. 74/2017	The petitioner filed a civil case saying that the land allotted to POWERGRID was in their possession, therefore their possession should be regularized, and they should not be ousted.	The case was pending for evidence on last hearing on 21.01.2021. The matter is sub-judice and the next date of hearing is 20.02.2021 for evidence.
2	Civil (Mines & Minerals Act)	Power Grid Corporation of India	State of Maharashtra & ors	High Court of Judicature at Bombay, Bench at Nagpur	INR 2,578,870	WP No. 1032 of 2018	POWERGRID challenged the Order of Tehsildar, Mahagaon to pay fine amounting to INR 2,137,500 and royalty of INR 190,000 for 475 brass murum by the first order and further directing to pay an amount of INR 251,370	The instant case was last listed on 24.02.2018. Stay has been granted by Hon'ble Court. The last date of hearing was 10.02.2021. The matter is sub-judice and the next tentative date of hearing is 10.03.2021.
3	Civil (Land Matter)	Ishwar annasaheb Kalunke and four others	Power Grid Corporation of India	District Court, Ambajogai	Not quantifiable	RCS No. 39/2017	The petitioner filed a civil case saying that the land allotted to POWERGRID was in their possession, therefore their possession should be regularized, and they should not be ousted.	The case is pending for evidence on last hearing was on 21.01.2021. The matter is sub-judice and the next date of hearing is 24.02.2021 for arguments.

RBSA VALUATION ADVISORS LLP *
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/ Appellant/	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
4	Civil (Land Matter)	Phulchand Bhikaji Kalunke	Power Grid Corporation of India	Civil Judge Junior Division, Ambajogai	INR 6,000	RCS No. 198 of 2018	The petitioner filed this case challenging the Land allotted to POWERGRID for 765 KV Parli Substation.	The case was pending at argument stage on last date of hearing on 18.02.2021. The matter is sub-judice and the next date of hearing is on 24.03.2021.
5	Civil (Land Matter)	Devanand	Power Grid Corporation of India	Civil Judge Junior Division, Ambajogai	INR 6,000	RCS No. 201 of 2018	The petitioner filed this case challenging the Land allotted to POWERGRID for 765 KV Parli Substation.	The case was pending at argument stage on last date of hearing on 15.12.2020. The matter is sub-judice and the next date of hearing on 23.02.2021.
6	Civil (Land Matter)	Mahadeo Nivrutti Kalunke	State of Maharashtra	High Court of Judicature at Bombay, Bench at Aurangabad	Not quantifiable	WP No. 8238 of 2016	The petitioner filed instant petition demanding regularisation of possession over Land allotted to POWERGRID New Parli Substaion.	Last date of hearing is 06.04.2020. The matter is sub-judice and the next date of hearing has not been notified yet.
7	CIVIL (Land Compensation/Tree & Crop Compensation)	Rekhsingh Dasu Rathore + 27 Other Matters	Deputy Manager, POWERGRID & 3 ors	District Magistrate, Yavatmal	INR 7,305,000	Case No. 1 of 2020	The Petitioner filed instant case alleging that the land compensation for Tower Erection over petitioner's land during the construction of 765 kV D/C Warora Parli Transmission Line has not been appropriately paid as per 2017 Government Resolution.	The instant case was filed on 18.07.2020. The matter is sub-judice and the next date of hearing has not been notified yet.

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/ Appellant/	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
8	CIVIL (Land Compensation/Tree & Crop Compensation)	Vishambhar Deorao Kaange + 43 Ors	SDO, Umred & POWERGRID.	District Magistrate, Yavatmal	INR 36,744,566	Revenue Case 471 of 2020	In the instant case, the farmer filed appeal against order dated 28.01.2020 passed by Ld. SDM assessment of compensation. The farmer filed appeals for enhancement of compensation.	Last date of hearing was 16.12.2020. The matter is sub-judice and the next date of hearing has not been notified yet.
9	CIVIL (Land Compensation/Tree & Crop Compensation)	Prahlad Ganpat Dawalbaje + 6 Ors	SDO, Umred & POWERGRID.	District Magistrate, Yavatmal	INR 5,940,735	Revenue Case 476 of 2020	In the instant case, the farmer filed appeal against order dated 28.01.2020 passed by Ld. SDM for assessment of land compensation. The farmer filed appeals for enhancement of compensation.	Last date of hearing was 16.12.2020. The matter is sub-judice and the next date of hearing has not been notified yet.
10	CIVIL (Land Compensation)	Bhagwat Tukaram Bhise	Chief Manager, Powergrid Parli Transmission Line	Civil Judge, Senior Division, Ambajogai	INR 1,668,930 plus 18% interest from 29.10.2017 till payment	Special Civil Suit 39 of 2020	In the instant case, the petitioner claimed that POWERGRID has not paid land compensation erection of two leg of towers in petitioner's land and has only paid compensation for the damages done to tree & crops. Therefore, the petitioner filed instant case suit claiming land compensation for erection of two legs of tower during the construction of 765 kV Parli- Solapur D/C Transmission Line.	Last date of hearing was 02.02.2021. The matter is sub-judice and the next date of hearing is 23.02.2021 for filing of written statement.

RBSA VALUATION ADVISORS LLP
RM

Appendix 21 - PWTL: On-going material litigation matters including tax disputes.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
(i) STATUTORY/REGULATORY								
1	Regulatory	NTPC	Powergrid Warora Transmission Limited	Central Electricity Regulatory Commission	Non quantifiable	93/MP/2019	Petition filed on 15.03.2019 by NTPC for resolution of disputes which arose between NTPC and POWERGRID Warora Transmission Limited (PWTL) with respect to bills dated 13.08.2018 and subsequent such bills raised by CTU on behalf of PWTL on NTPC for the Associated Transmission System of Gadarwara after the deemed COD of the Gadarwara-Warora 765 kV D/C lines.	Matter was last listed on 05.03.2020. Order is reserved in the petition

RBSA VALUATION ADVISORS LLP *
RN.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
2	Regulatory	POWERGRID Warora Transmission Company Limited	MPPMCL & Ors.	Central Electricity Regulatory Commission	INR 955.3 Mn Capital Cost resulting into increase in Transmission Tariff by 3.78 percent	265/MP/2020	Petition filed for claiming increase transmission Tariff due to cost increment on account of force majeure and change in law	Vide Order dated 25.01.2021 CERC has directed that PWTL shall be compensated for the following on account of the Change in Law events: a) Increase in acquisition price by BPC; b) Additional expenditure on account of GST Laws; and c) Notification of Policy on land compensation dated 31.05.2017 by the Government of Maharashtra. *As per the said* Order, LTTCs shall

RBSA VALUATION ADVISORS LLP

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
								verify the claims of PWTL on account of policy on land compensation within 30 days of submission of details. Further, PWTL to submit the proof of payment towards GST to LTTCs. PWTL has submitted the requisite documents to LTTCs on 03.02.2021 and response of LTTCs is awaited.
3	Power Grid Corporation of India Limited vs Tehsildar, Warora	POWERGRID CORPORATION OF INDIA LIMITED	Tehsildar, Warora	Tehsildar, Warora	INR 3,314,410	Revenue Case No. 1/2018	On 10.01.2018, Ld. Tehsildar, Warora issued an order that the PWTL has done construction for commercial use without obtaining the permission from the change of use from the	Vide Order dated 17.07.2018, Sub-Divisional Officer, Warora has partially accepted the Contentions of the

RBSA VALUATION ADVISORS LLP
RU.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							agricultural purpose to non-agricultural purpose. As per said order, the Naib-Tahsildar, Warora committed error in imposing N.A. taxes of INR 7,45,740 without imposing penalty and therefore, Ld. Tehsildar has reviewed order and imposed 40 times penalty of INR 3,314,400 in addition to non-agricultural taxes. The said order was challenged by POWERGRID on 06.03.2018, by filing an appeal before the Sub-Divisional Officer Warora, under section 247 of Maharashtra Land Revenue Code, 1966. The main contention on behalf of the undersigned corporation was that, as per Section 44A of the Maharashtra Land Revenue Code, if the land is used for bona fide industrial use than there is	POWERGRID and remanded the matter back to Tehsildar to pass a final order as to Non- Agriculture Tax keeping in view of the grounds raised by POWERGRID. Therefore, in view of the directions of the Ld. SDM, Warora, Tehsildar had put the matter for hearing on 4th September 2018. On that day written arguments had been submitted by POWERGRID. The matter was further listed for oral arguments on 24th

RBSA VALUATION ADVISORS LLP

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							no requirement of conversion of land. Further, the explanation to section 44-A of Maharashtra Land Revenue Code clearly states that the power project is a bona fide use of land for industrial purpose. Thereafter, vide order dated 17.07.2018, Hon'ble Appellate Authority under Maharashtra Land Revenue Code has partially allowed the appeal and remanded the matter to the Tahsildar, Warora for decision on the points submitted by the objector.	September 2018, and oral arguments were done by POWERGRID on that date. No order has been passed by the Court on that date.
(ii) CRIMINAL PROCEEDINGS								
NIL								
(iii) OTHER PENDING LITIGATION								
1	Tree & Crop Compensation	Sh. Hemraj Singh & Ors.	POWERGRID & Ors.	before Hon'ble High Court		WP No. 27860/2019	POWERGRID installed 765 K.V.D.C Line for supply of electricity to the State of	The matter is sub-judice and the next date is yet to be

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
				of M.P, Jabalpur			Maharashtra on the land of the petitioner & notices dated 15.06.2016 &21.01.2017 were issued only for the payment of the compensation for the removed Sugarcane crops. Hence the present petition before the Hon'ble H.C. Jabalpur, stating that as the transmission of 765 KVDC electricity line & the ROW approached has covered 67 mtr. Width area as approaching road so constant danger of electrocution to the petitioner & his family hence prayed before the Hon'ble court to Command POWERGRID to properly calculate & value the land of petitioner affected by the ROW & make proper compensation for it within specified time.	updated

RBSA VALUATION ADVISORS LLP

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
2	Tree & Crop Compensation	Ashish & Ors.	POWERGRID & Ors.	Before Hon'ble High Court of M.P, Jabalpur		WP No. 27858/2019	The present petition was filed for determining and payment of adequate amount of compensation for the land of Petitioners affected by ROW for approaching the electricity tower. The petitioner also claimed interim injunction and prayed to prevent the respondents from transmitting electricity.	The matter is sub-judice and the next date is yet to be updated
3	Tree & Crop Compensation	Umesh Dhamdar & Ors	UOI & other	Before Hon'ble High Court of MP, Jabalpur		W.P. No. 3381/2018	The petitioner filed a writ petition against the POWERGRID challenging the order passed by the District Magistrate, Chhindwara dated 18.05.2017 & to set aside the order & also to determine the compensation as per the guidelines dated 15.10.2015, towards the damage caused during the construction of 765 K.V Double Circuit Gadarwara STPS (M.P) to Warora	The matter is sub-judice and the next date is yet to be updated

RBSA VALUATION ADVISORS LLP * RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							(MH) TL.	
4	Tree & Crop Compensation	Damodar & Ors	UOI & Other	Before Hon'ble High Court of MP, Jabalpur		W.P. No. 3385/2018	The petitioner filed a writ petition against the POWERGRID challenging the validity of Notice dated 20.01.2017 issued by the POWERGRID and to quash & set aside the said notice.	The matter is sub-judice and the next date is yet to be updated
5	Injunction & Declaration	Sudhir Durugkar	POWERGRID	Before Civil Court, Nagpur		RCS No. 335/2018	Case was pertaining to 765 KV Gadarwara-Warora T/L. filed with prayer to grant temporary injunction against the construction of T/L by POWERGRID in the land of petitioner till the time POWERGRID pay him compensation as per market rate.	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP * RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
6	Injunction & Declaration	Rajbhashan Rajput	POWERGRID & Others	Before Hon'ble High Court of M.P, Jabalpur		WP NO. 17544/2020	The petitioner filed petition for the compensation for the deprivation of land secured in respect of Right of Way for transmission lines installed during the installation work carried out 765 KV DC high tension line in District Narsinghpur. The petitioner prayed to properly calculate and value the land of petitioner affected by ROW and make proper compensation. The Petitioner asked for Interim Injunction from court to prevent the respondents from transmitting the electricity from the said lines. No injunction granted by Court.	The matter is sub-judice and the next date is yet to be updated
7	Injunction & Declaration	Nilima Malviya	POWERGRID & Others	Before Hon'ble High Court of M.P,		WP NO. 18440/2020	The petitioner filed petition for the compensation for the deprivation of land secured in respect of Right of Way for	The matter is sub-judice and the next date is yet to be updated

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
				Jabalpur			transmission lines installed during the installation work carried out 765 KV DC high tension line in District Narsinghpur. The petitioner prayed to properly calculate and value the land of petitioner affected by ROW and make proper compensation. The Petitioner asked for Interim Injunction from court to prevent the respondents from transmitting the electricity from the said lines. No injunction granted by Court.	
8	Other Cases	Sh. Ramroop Patel	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 336/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	
9	Other Cases	Sh. Ramesh Kumar	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 337/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP *
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
10	Other Cases	Sh. Name Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 341/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 24.02.2021
11	Other Cases	Sh. Surat Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 343/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP *

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	
12	Other Cases	Sh. Nirmala bai	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 345/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 19.02.2021

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
13	Other Cases	Sh. Sanjay Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 348/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 19.02.2021
14	Other Cases	Sh. Rajendra Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 350/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As	The matter is sub-judice and the next date is 19.02.2021

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	
15	Other Cases	Sh. Champa Bai	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 351/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
16	Other Cases	Sh. Parath Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 352/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 24.02.2021
17	Other Cases	Sh. Bheemraj Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 356/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As	The matter is sub-judice and the next date is 19.02.2021

RBSA VALUATION ADVISORS LLP * RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	
18	Other Cases	Sh. Rajesh Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 357/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 19.02.2021

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
19	Other Cases	Sh. Sandeep Singh	Sh. K. Shrikant Thr. CMD POWERGRID & 3 Ors.	Before Hon'ble High Court of M.P, Jabalpur		CONC. No. 355/2021	Hon'ble High Court of MP, Jabalpur directed Collector, Narsinghpur to decide representation of petitioners regarding payment of Compensation within 60 days, and no order was passed against POWERGRID to be complied. As per contempt petition Collector failed to comply the order within 60 days, and therefore petitioner moved with contempt petition against District Collector and also made POWERGRID a formal party in the petition.	The matter is sub-judice and the next date is 24.02.2021

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
20	CMA No. 4 of 2017, Smt. Anubai & 3 Ors Vs Power Grid Corporation of India Ltd. & 3 Ors	Smt. Anubai & 3 Ors	Power Grid Corporation of India Ltd. & 3 Ors	District Court, Wardha	INR 9,00,000	MJC No. 4 of 2017	The instant case relates to 400 kV D/C LILO Wardha- Parli Transmission Line. The petitioner has filed instant suit claiming compensation for damages to crops during erection of transmission Line.	The case was last listed on 06.02.2021. Powergrid filed its reply. The matter is sub-judice and the next date of hearing is 08.03.2021 for arguments.
21	RCS N. 266 of 2017, Suresh Nehare & 5 Ors. Vs Shankar Nehare & 4 ors	Suresh Nehare & 5 Ors.	Shankar Nehare & 4 ors	Civil Judge Junior Division, Wardha	Not quantifiable	RCS N. 266 of 2017	The instant case relates to 400 kV D/C LILO Wardha- Parli Transmission Line. The petitioner has filed instant suit claiming for declaration of partition & possession of survey no. 138 of muza nimsada, The-Deoli, Dist-Wardha. The petitioner has also claimed the compensation amount received from POWERGRID for erection of transmission Line has not been	The case was last listed on 16.01.2021. Powergrid filed its reply. The matter is sub-judice and the next date of hearing is 22.03.2021 for framing of issues.

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							distributed between petitioner & defendant no. 1.	

Appendix 22 - PJTL: On-going material litigation matters including tax disputes.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
(i) STATUTORY/REGULATORY								
1	REGULATORY	POWERGRID	Maharashtra	CERC	INR 766.4	610/MP/2020	Petition filed for claiming	Preliminary

RBSA VALUATION ADVISORS LLP

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
		Jabalpur Transmission Limited	State Electricity Distribution		Mn Capital Cost resulting into increase in Transmission Tariff by 6.38 percent		time overrun of 9 days and increase in transmission Tariff due to cost increment on account of force majeure and change in law	Scrutiny
(ii) CRIMINAL PROCEEDINGS								
NIL								
(iii) OTHER PENDING LITIGATION								
1	Injunction & Declaration	Soni Seva Siksha Smiti	POWERGRID	POWERGRID Before Hon'ble High Court of MP, Jabalpur		WP NO. 3940/2018	WP NO. 3940/2018, Soni Seva Siksha Smiti Vs. POWERGRID Before Hon'ble High Court of MP, Jabalpur	The matter has not been listed for hearing yet.

RBSA VALUATION ADVISORS LLP *

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
2	Tree & Crop Compensation	Ajaykumar Pandey	UOI & Ors	POWERGRID Before Hon'ble High Court of MP, Jabalpur		W.P. No. 15430/2017	Case pertaining to 765 KV D/C Jabalpur T/L filed by Shri Ajay Kumar Pandey for enhancement of Compensation for damages caused during the construction of POWERGRID T/L.	The matter is sub-judice and the next date is yet to be updated
3	Tree & Crop Compensation	Ram Gopal Patel	State of MP & Ors.	POWERGRID Before Hon'ble High Court of MP, Jabalpur		WP No. 17865/2017	Case is pertaining to 765 KV DC Jabalpur Pooing Part- IV filed by Shri Ram Gopal Patel. Prayer for Compensation for damages caused during construction by POWERGRID in the subject land of Petitioner.	The matter is sub-judice and the next date is yet to be updated

RBSA VALUATION ADVISORS LLP *
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
4	Tree & Crop Compensation	Rama Agarwal	POWERGRID & Ors	Before 1st Civil Judge, Patan		RCS A 01/2018	Case filed for payment of compensation for loss of tree and crop in the land of petitioner during the construction activities by POWERGRID.	The matter is sub-judice and the next date is 15.01.2021.
5	Other cases	Sh. Saguna Bai	Sh. Anant Dubey, DGM, POWERGRID	Before Hon'ble High Court of M.P, Jabalpur		CONC No. 2924/2019	The Contempt petition filed by the petitioner against the POWERGRID, for the non-compliance of the order dated 09.01.2019 in W.P. 11095/2019, Directing POWERGRID to ascertain compensation & pay thereafter to the petitioner within a period of four weeks. Hence this contempt petition before the Hon'ble High Court, Jabalpur.	The matter is sub-judice and the next date is yet to be updated

RBSA VALUATION ADVISORS LLP *

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
6	Tree & Crop Compensation	Sh. Ghanshyam Singh Chouhan	UOI & Ors.	before Hon'ble High Court of M.P, Jabalpur		WP No. 6677/2020,	Petitioner has filed the present petition against the POWERGRID alleging for illegal installation of Electric tower for 132 KV election line on the petitioner land no. 596/3 & without acquisition of lands as per due process of law, therefore the petitioner on dated 03.02.2020 submitted an application before the collector & also before the Land Acquisition officer & POWERGRID bound to comply the provision of Right to Fair Compensation & Transparency in Land Acquisition, Rehabilitation & resettlement Rule. And hence prayed before the Hon'ble court H C, Jabalpur that to direct POWERGRID to pay petitioner suitable amount of compensation i.e., 3 times of market value for the land	The matter is sub-judice and the next date is yet to be updated

RBSA VALUATION ADVISORS LLP
RM.

Sr. No.	Nature of the matter	Name of the Petitioner/Appellant/ Complainant	Name of the defendant/ respondent	Forum	Financial claim / impact	Case Number	Brief summary of the facts of the matter	Current status of the matter and the next date of hearing
							acquired by the POWERGRID.	

RBSA VALUATION ADVISORS LLP * RM.

Appendix 23 - PVTL: Physical Inspection

400 KV D/C Khammam – Nagarjunasagar Line:

765 KV D/C Srikakulam PP – Vemagiri-II Line:

Site Visit:

Virtual site visits for verification of assets of both the transmission lines have been carried out on 8th and 9th October 2020.

Observation:

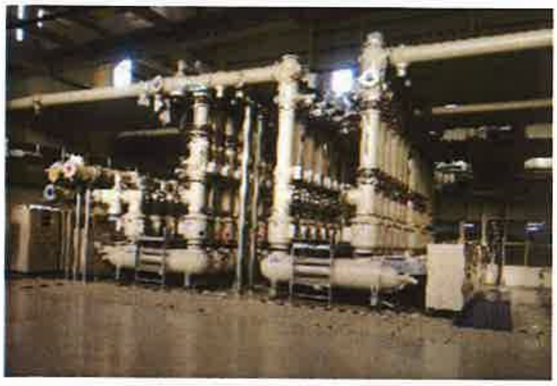
During the virtual site visits, it was observed that both the transmission lines were in operational condition.

RBSA VALUATION ADVISORS LLP

RM.

Appendix 24 - PKATL: Physical Inspection

400/220 KV GIS SUBSTATION:



Site Visit:

Virtual site visit for verification of assets of GIS substation has been carried out on 30th September 2020.

Observation:

During the virtual site visit, it was observed that all the equipment of the GIS substation was in operational condition.

LILO of both circuits of 400 KV D/C Karcham Wangtoo – Abdullapur line:

Site Visit:

Virtual site visit for verification of assets of LILO line has been carried out at their respective substations on 10th October 2020.

Observation:

During the virtual site visit, it was observed that the LILO line was in operational condition.

RBSA VALUATION ADVISORS LLP

RM.

Appendix 25 - PPTL: Physical Inspection

2x1500 MVA (765/400kV) Parli (New) S/S:

Site Visit:

Virtual site visit for verification of assets of substation has been carried out on 30th September 2020.

Observation:

During the virtual site visit, it was observed that the equipment of the substation was in operational condition.

400 KV D/C Parli (New) – Parli (PG) Line:

765 KV D/C Warora – Parli (New) Line:

765 KV D/C Parli (New) – Solapur Line:

Site Visit:

Virtual site visits for verification of assets of Transmission lines have been carried out at their respective substations on 30th September 2020, 8th October 2020 & 9th October 2020.

Observation:

During the virtual site visit, it was observed that the Transmission lines were in operational condition.

RBSA VALUATION ADVISORS LLP

Appendix 26 - PWTL: Physical Inspection

765kV/400kV Warora substation:

Site Visit:

Virtual site visit for verification of assets of substation has been carried out on 20th September 2020.

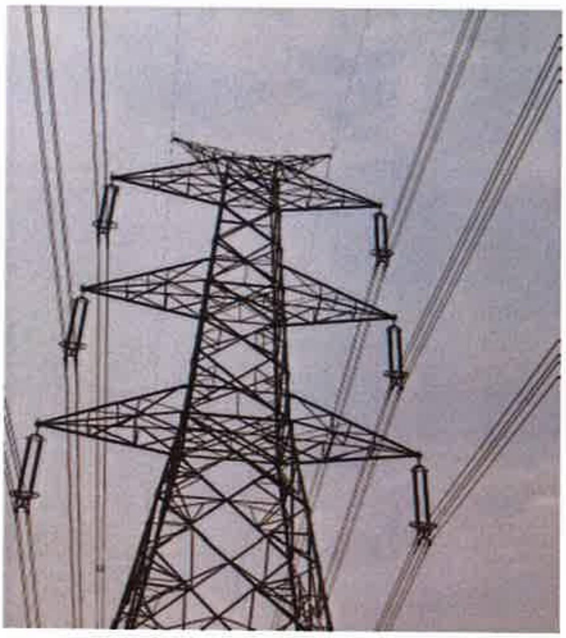
Observation:

During the virtual site visit, it was observed that the equipment of the substation was in operational condition.

765 KV D/C Gadarwara STPS – New Pooling Station near Warora Line:

765 KV D/C Gadarwara STPS-Jabalpur Pool Line:

400 KV Double Circuit Warora Parli LILO Line:



Site Visit:

Virtual site visit for verification of assets of Transmission lines and LILO line has been carried out at their respective substations on 9th October 2020.

Observation:

During the virtual site visit, it was observed that the Transmission lines and LILO line were in operational condition.

RBSA VALUATION ADVISORS LLP *

RM.

Appendix 27 - PJTL: Physical Inspection

765 KV D/C Vindhyachal Pooling Station- Jabalpur Pooling Station Line:

Site Visit:
Virtual site visit for verification of assets of Transmission line has been carried out at their respective substations on 9th October 2020.

Observation:
During the virtual site visit, it was observed that the Transmission line was in operational condition.

RBSA VALUATION ADVISORS LLP *
RM.

ANNEXURE B

TECHNICAL REPORTS

As intimated by the Technical Consultant through a letter dated March 9, 2021, the Investment Manager and the Sponsor have been informed that certain typographical errors were inadvertently included in the Technical Reports relating to PVTL and PKATL. The typographical error and the correct position, as intimated by the Technical Consultant, are provided below:

Page 14 of the Technical Report relating to PVTL:

- Wind Zone (as per IS: 875): ‘Zone 2’ for Khammam-Nagarjuna Sagar line may be read as ‘Zone 3’.
- Maximum wind velocity (m/sec): ‘50m/ sec and 39 m/sec’ may be read as ‘50m/ sec and 44 m/sec’.

Page 26 of the Technical Report relating to PKATL:

- ‘wind-zone 2/3’ may be read as ‘wind-zone 4’

Accordingly, the Technical Reports should be read in conjunction with the changes indicated above.

(*The remainder of this page has intentionally been left blank*)

Technical Due Diligence Report
POWERGRID VIZAG TRANSMISSION LIMITED (PVTL)

765 kV D/C Srikakulam PP – Vemagiri-II PS Line

Ravinder
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB

November 2020

Contents

Abbreviations/ Acronyms

S.No.	Abbreviation/Acronym	Description
1.	AC	Alternating Current
2.	ACSR	Aluminium Conductor Steel Reinforced
3.	ADB	Asian Development Bank
4.	AI	Aluminium
5.	BIL	Basic Insulation Level
6.	BIS	Bureau of Indian Standards
7.	BOOM	Build Own Operate and Maintain
8.	BPC	Bid Process Coordinator
9.	CEA	Central Electricity Authority
10.	CERC	Central Electricity Regulatory Commission
11.	COD	Commercial Operation Date
12.	CPRI	Central Power Research Institute
13.	CTU	Central Transmission Utility
14.	D/C	Double Circuit
15.	DA type of tower	Double Circuit A Type Tower
16.	DB type of tower	Double Circuit B Type Tower
17.	DC type of tower	Double Circuit C Type Tower
18.	DD type of tower	Double Circuit D Type Tower
19.	DOCO	Date of Commercial Operation
20.	EMF	Electro Magnetic Field
21.	ER	Eastern Region
22.	ERS	Emergency Restoration System
23.	FY	Financial Year
24.	gm	gram
25.	GoI	Government of India
26.	GS	Galvanized Steel
27.	Hz	Hertz
28.	IEC	International Electrotechnical Commission
29.	IEGC	Indian Electricity Grid Code
30.	InvIT	Infrastructure Investment Trust
31.	IS	Indian Standards
32.	ISGS	Inter State Generating Station
33.	ISO	Indian Standards Organization
34.	kg	kilogram
35.	km	kilometre
36.	km/hr	kilometre per hour
37.	kN	kilo Newton
38.	kV	kilo Volt
39.	LoI	Letter of Intent
40.	m	metre
41.	m/sec	metres per second
42.	m^2	square meter
43.	Max	Maximum

S.No.	Abbreviation/Acronym	Description
44.	MHz	Megahertz
45.	min	minimum
46.	mm	millimetre
47.	O&M	Operation and Maintenance
48.	OPGW	Optical Ground Wire
49.	POWERGRID	Power Grid Corporation of India Limited
50.	PS	Pooling Station
51.	PTCC	Power and Telecommunication Coordination Committee
52.	PVTL	POWERGRID Vizag Transmission Limited
53.	RCC	Reinforced Cement Concrete
54.	RECTPCL	REC Transmission Projects Company Limited
55.	RfP	Request for Proposal
56.	RLDC	Regional Load Dispatch Centre
57.	rms	Root Mean Square
58.	RPC	Regional Power Committee
59.	SFQP	Standard Field Quality Plan
60.	SOP	Standard Operating Procedures
61.	SPV	Special Purpose Vehicle
62.	T&P	Tools and Plants
63.	TBCB	Tariff Based Competitive Bidding
64.	TSP	Transmission Service Provider

POWERGRID VIZAG TRANSMISSION LIMITED (PVTL)

Technical Due Diligence Report

EXECUTIVE SUMMARY

Background

POWERGRID Vizag Transmission Limited ('Project Company'/'Company'/'Project') is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). PVTL, set up as a SPV for development of transmission scheme, '*System Strengthening in Southern Region for import of Power from Eastern Region'* was acquired by POWERGRID under TBCB mechanism on build, own, operate and maintain (BOOM) basis.

POWERGRID is India's Central Transmission Utility and the largest power transmission utility in the country. It is also one of the largest transmission utilities of the world. Including PVTL, it presently owns 19 wholly owned subsidiaries acquired under TBCB mechanism. Each of these subsidiaries was set up as a SPV for executing a specific transmission project and was acquired by POWERGRID under TBCB mechanism. Out of the total 19 subsidiaries, eight are operational and balance eleven are under construction phase.

Mr. Ravinder has been appointed as Independent Engineer (IE) by POWERGRID Unchahar Transmission Limited, a wholly owned subsidiary of POWERGRID, for Technical Due Diligence of the above transmission Project.

Project Description

During the period 2010-2012, generation capacity addition in Tamil Nadu had slowed down owing to non-conducive developments in coal markets in Indonesia, Australia and other countries. As a result, Southern Region became net importer of power from Eastern Region and Western Region. To alleviate the situation, a transmission scheme *"System Strengthening in Southern Region for Import of power from Eastern Region"* was devised, consisting of Srikakulam-Vemagiri 765 kV D/C transmission line and Khammam – Nagarjuna Sagar 400 kV D/C transmission line in Andhra Pradesh.

Ministry of Power, Government of India has notified REC Transmission Projects Company Limited (RECTPCL) to be the Bid Process Coordinator (BPC), who invited bids for selection of Transmission Service Provider (TSP) based on 'Tariff Based Competitive Bidding Guidelines for Transmission Services'. POWERGRID was selected as TSP for executing the Scheme *'System Strengthening in Southern Region for Import of power from Eastern Region'* consisting of consisting of 765 kV and 400 kV transmission lines. The Project was executed by the SPV, POWERGRID Vizag Transmission Limited (PVTL).

The Transmission System executed by the SPV consists of:

a) 765 kV D/C Srikakulam PP – Vemagiri II Pooling Station line
b) 400 kV D/C Khammam (Existing) – Nagarjuna Sagar line

The Transmission Service Agreement (TSA) was signed between ten (10) Long Term Transmission Customers (LTTCs) and Vizag Transmission Limited (erstwhile name of POWERGRID Vizag Transmission Limited), with Tamil Nadu Generation and Distribution

Corporation Limited being the Lead Long Term Transmission Customer. According to the TSA, scheduled COD of the Project was September, 2016, which has been revised to 01.02.2017 by the LTTCs.

PVTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The Project was implemented through multiple supply and erection contracts with various agencies which mainly included supply contracts for tower, conductor and insulator and contracts for tower erection and stringing.

Transmission Lines have been designed as per relevant IS/IEC Standards. Further, the erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocol.

The date of grant of approval from CEA for the elements and date of commercial operation after successful trial operation are as follows:

S.No.	Element	CEA Energization Approval	DOCO
1	Srikakulam PP – Vemagiri-II Pooling Station 765 kV D/C line	CEI/4/EI/RIO(S)/INSP/2016/ 1489 dt.29.09.2016	01.02.2017
2	Khammam (Existing) – Nagarjuna Sagar 400 kV D/C line	CEI/4/EI/RIO(S)/INSP/2015/20 dt.30.12.2015	03.01.2016

PVTL entered into an agreement with POWERGRID for post COD activities including Operation and Maintenance activities for effective O&M of the transmission lines. Additionally, regular trainings are being conducted for O&M personnel on the latest techniques for effective maintenance of the transmission lines.

This Technical Due Diligence Report including the observations and recommendations of IE is based on the review of the Technical Specifications, Material Quality Plan, Type Test Certificates, Field Quality Plan, operation and maintenance procedures, cyber security procedures, communication systems, environment and safety, and risk aspects of the Project. The Technical Due Diligence Report evaluates all aspects related to technical suitability, clearances, quality, maintenance, environment and safety and identifies risks, if any in operation of the Project during its useful life. The report comprises of the following sections:

Section-1: Introduction

This Section presents a brief introduction of the Project.

Section-2: Transmission License

Details of Transmission License including the validity of the License and conditions of the License throughout the period of the License are discussed in this Section.

Section-3: Project

Transmission Lines

Technical details of Towers including Classification of Towers, Conductor, Earthwire, OPGW, Insulators, etc. have been described in detail in this Section.

Section-4: Communication System

Details about the communication system requirement as per IEGC and its compliance by the Company have been described in this Section.

Section-5: Environment and Safety

This Section covers the environment and social aspects of the Project. The practices adopted by the Company for maintaining Environment, Health and Safety aspects in relation to the project are discussed in this Section.

Section-6: Quality Control

The quality aspects of the project like compliance to design parameters, conformance of the tests to various Indian and International Standards, Standard Field Quality Plans during execution of project etc. is discussed in this Section.

Section-7: Operation and Maintenance

The philosophy followed for operation and maintenance of the Project has been described in this Section.

Section-8: Availability of the Project

The performance of project in terms of availability is assessed in this Section.

Section-9: Spare Part Management

The philosophy of spare part management is described in this Section.

Section-10: Physical Security of Assets

The security aspect of the Project has been described in this Section.

Section-11: Cyber Security

Various aspects of cyber security measures have been discussed in this Section.

Section-12: Risk Analysis

The assessment of risks associated with the project has been carried out in this Section under various relevant heads.

Section-13: Regulatory Aspects

The regulatory aspects of the project like Extension of License, Revocation of License and Operation of Assets beyond TSA period have been discussed in this Section.

Section-14: Insurance

The aspects related to insurance of the project has been discussed in this Section.

Section-15: Conclusion

The findings of the IE have been summarised and presented in this Section.

As per the specifications provided by POWERGRID, transmission lines and towers have been designed, installed and tested in accordance with relevant Standards. The design has also met statutory requirements such as the Indian Electricity Rules, Indian Factory Act and Indian Electricity Grid Code etc. IE is of the opinion that comprehensive Quality Assurance Plan is being followed, the final design and specifications of transmission lines are in line with the technical specifications, drawings and documents have been reviewed and approved by POWERGRID.

IE reviewed the status of various approvals and clearances. PVTL has obtained all major permits and clearances.

IE is of the opinion that PVTL has taken adequate measures for management of the complete project for supervision of various contract packages during the construction phase.

IE is of the opinion that the O&M organization set-up is adequate and the O&M philosophy is effective in achieving the target availability.

1. Introduction

Common High Capacity Transmission Corridor was planned for ISGS generations in Srikakulam area, which included Srikakulam Pooling Station - Angul 765kV D/C line and Angul - Jharsuguda - Dharamjaigarh 765kV D/C lines. However, developments in coal market in Indonesia, Australia and other countries resulted in slowing down of capacity addition in Tamil Nadu based on imported coal. As a consequence, Southern Region became a net importer of power from Eastern Region and Western Region. Through this scheme, an additional inter-regional AC interconnection between Southern and Eastern regions was established by connecting Srikakulam Pooling Station to Vemagiri-II. However, critical loading was observed beyond Khamman towards Nagarjuna Sagar during import of power for South through this link, and therefore, Khammam-Nagarjuna Sagar 400 kV D/C line was strengthened. This line facilitates dispersal of power to Southern Region constituents beyond Khammam.

RECTPCL was notified by Ministry of Power, GoI vide Notification No. 15/1/2011-Trans dated 04.01.2013 as the BPC for the purpose of selection of bidder as TSP to establish the transmission system for *'System Strengthening in Southern Region for import of power from Eastern Region'* on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding. A Special Purpose Vehicle (SPV), 'Vizag Transmission Ltd.' was incorporated on 30.11.2011 by RECTPCL as its wholly owned subsidiary to initiate work on the project. RECTPCL invited bids from the prospective bidders and POWERGRID emerged as the successful bidder with the lowest annual levelized transmission charges of Rs. 2,311.34 million.

LoI was issued on 31.07.2013 and the SPV, Vizag Transmission Ltd., was acquired by POWERGRID on 30.08.2013 with scheduled COD of 36 months for the project.

Overall system design has been done by POWERGRID as part of the consultancy assignment given by the Company. The design of various towers used in the transmission lines were developed in-house. The type tested designs of POWERGRID complying to CEA's technical standards, regulations and relevant Indian standards have been deployed. Protection setting coordination has been finalised by POWERGRID.

Complete quality control plan during various stages of manufacturing, erection, factory and site testing has been as per POWERGRID standard quality control plan. The system has been designed and constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols. POWERGRID has standard pre-commissioning documents for transmission lines. The components have been designed, manufactured, transported, stored, erected, tested and commissioned in compliance with relevant Indian and International Standards.

All relevant statutory technical clearances are in place, including the following:

i. Approval under Section 68 of the Electricity Act
ii. Authorisation under Section 164 of the Electricity Act
iii. Grant of Transmission License by CERC
iv. Route approval by PTCC, GoI
v. Electrical Safety Clearance of CEA

List of all relevant approvals and clearances is placed at Annexure-I.

The details of the Project Elements of PVTL are as follows:

S.No.	Transmission System Associated with PVTL			
	Project Elements	**Route length (km)/ Line length (ckm)**	**Conductor**	**Actual COD**
1	Srikakulam PP – Vemagiri-II Pooling Station 765 kV D/C transmission line	334 km/ 668 ckm	ACSR Hexa Zebra	01.02.2017
2	Khammam (Existing) – Nagarjuna Sagar 400kV D/C transmission line	144.42 km 288.84 ckm	ACSR Twin Moose	03.01.2016

According to the TSA, the scheduled COD of the Project was September, 2016. The delay in commissioning of the system was mainly due to force majeure events and other reasons beyond control, such as Parliamentary Election Code in 2014, Hudhud cyclone in 2014 and Roanu cyclone in 2016 etc. The LTTCs have condoned the delay in commissioning of the project and granted time extension up to 01.02.2017.

As per the TSA executed with the Long Term Transmission Customers (LTTCs), the expiry date of TSA is 35 years from scheduled COD of the project i.e. the remaining period of the TSA with LTTCs is 31.17 years.

PVTL, in accordance with the Sharing Regulations of CERC, entered into Revenue Sharing Agreement (RSA) and Transmission Service Agreement (TSA) with CTU. The transmission charges are collected in accordance with the billing, collection and disbursement procedure set out in the TSA with CTU and disbursed to PVTL.

Project Location Map

2. Transmission License

Central Electricity Regulatory Commission, New Delhi in Petition No. 193/TL/2013, granted transmission license to Vizag Transmission Limited, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 vide order dated 08.01.2014. The name of the Project Company was later changed to POWERGRID Vizag Transmission Limited.

The grant of transmission licence to the petitioner is subject to the fulfilment of following conditions throughout the period of licence:

(a) *The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;*

(b) *The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence.*

(c) *Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;*

(d) *The petitioner shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;*

(e) *The petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees)*

Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) *The petitioner shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;*

(g) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.*

(h) *The petitioner shall 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;*

(i) *The petitioner shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;*

(j) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;*

(k) *The petitioner shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and*

(l) *The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 27.06.2015.*

3. Project

PVTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project.

3.1 Transmission Lines

3.1.1 General Description

PVTL awarded the following major contracts for construction of the project:

Contracts	Agencies
Tower Supply	M/s. Karamtara Engineering Pvt. Ltd. M/s. Shilpa Steel and Power Ltd. M/s. Varsanna Ispat Ltd.
Conductor Supply	M/s. JSK Industries Ltd. M/s. Hind Aluminum Industries Ltd. M/s. Apar Industries Ltd. M/s. Gupta Power Infrastructure Ltd. M/s. Sterlite Technologies Ltd. M/s. Poly Cab Wire Pvt. Ltd.
OPGW	M/s. Shenzhen SDG Information Co., Ltd.
Insulator Supply	M/s. Nanjing Electric(Group) Co. Ltd. M/s. EMI Transmission Ltd.
Tower Erection and Stringing	M/s. Tata Projects Ltd. M/s. ICOMM Tele Ltd. M/s. Larsen and Toubro Ltd. M/s. Gammon India Ltd. M/s. Unique Structures & Towers Ltd.

The lattice steel towers have been designed as per IS: 802 for the relevant wind zone as applicable, with adequate reliability levels. Towers have been tested at tower testing stations in India. IS Steel sections of tested quality of conformity with IS:2062 grade E250 and / or grade E350 are used in towers.

The tower parts, stubs and pack washers are hot dip galvanised with minimum overall zinc coating of 610 gm/m^2 except for plates and sections below 5 mm which have zinc coating of 460 gm/m^2 with average coating of 87 microns and 65 microns respectively. POWERGRID has provided its proprietary structural drawings, shop drawings and Bill of Materials of all type of standard transmission line towers and its extensions, special towers as required to the contractor(s) after placement of award according to the project requirement.

Foundations are generally open cast with RCC.

Composite Insulators with specific creepage 31mm/kV have been used.

765 kV D/C (Hexa):

Double 'I' Insulator Strings with 160kN Composite Insulators in Suspension Towers and Quadruple Tension Strings with 210kN Composite Insulators in Tension Towers.

400 kV D/C (Twin):

Single 'I' Insulator Strings with 120kN Composite Insulators in Suspension Towers and Double Tension Strings with 160kN Composite Insulators in Tension Towers.

Minimum Ground Clearance:

For 765 kV lines: 15m and for 400 kV lines: 8.84m, required as per CEA safety standard.

Towers are complete with towers accessories such as Bird Guard, Danger Plate, Number Plate, Phase Plate, Anti-Climbing Device and Step Bolts; and Conductor and Earth Wire accessories like Mid Span Compression Joint, Repair Sleeve, Bundle Spacer, Vibration Damper, Spacer Damper, Earth Wire Suspension Clamp, Earth Wire Tension Clamp etc.

3.1.2 Classification of Towers

The towers for 400 kV Double Circuit/ 765 kV Double Circuit lines are classified as under:

Type of Tower	Deviation Limit	Typical Use
DA	0°	To be used as Tangent Tower.
DB	0° - 15°	i) Angle Towers with tension insulator string. ii) Also, to be used for uplift force resulting from an uplift span upto 200 m under broken wire condition. iii) Also, to be used for anti cascading condition.
DB	0°	To be used as Section Tower.
DC	15° - 30°	i) Angle Tower with tension insulator string. ii) Also, to be used for uplift forces resulting from an uplift span upto 200m under broken wire condition. iii) Also, to be used for anti-cascading condition.
DC	0°	To be used as Section Tower.
DD	30°- 60°	i) Angle Tower with tension insulator string ii) Also, to be used for uplift forces resulting from an uplift span upto 30 m under broken wire condition. iii) Dead end with 0° to 15° deviation both on line side and substation side (slack span)
DD	0°	i) Complete Dead End Tower ii) For river crossing anchoring with longer wind span

Service Conditions of Transmission Lines in the Project Climate varies from moderately hot and humid tropical climate to cold climate. Equipment/ material is suitable for satisfactory continuous operation under for the following site conditions:	
Maximum ambient temperature (Degrees Celsius)	50°C
Minimum ambient temperature (Degree Celsius)	0°C
Relative humidity (% range)	10-100
Maximum annual rainfall and snowfall (cm)	as per published meteorological/ climatological data
Wind zone (as per IS: 875)	Zone 5 for Srikakulam-Vemagiri-II line; Zone 2 for Khammam- Nagarjuna Sagar line
Maximum wind velocity (m/sec.)	50 m/sec and 39 m/sec (as per IS: 875)
Maximum altitude above mean sea level (metre)	Upto 1000m
Isoceraunic level (days/years)	Upto 60 thunderstorm
Pollution level	Medium/ Heavy

3.1.3 Fasteners: Bolts, Nuts and Washers

All tower members are joined together with hexagonal bolts and nuts. All hexagonal bolts and nuts conform to IS-12427. They have hexagonal head and nuts, the heads being forged out of the solid, truly concentric, and square with the shank. All bolts and nuts are galvanized as per IS:1367 (Part-13)/IS:2629.

3.1.4 Step Bolts and Ladders

Each is tower is provided with step bolts conforming to IS:10238.

3.1.5 Clamps Attachments of Insulator Strings and Earth Wire

i. For the attachment of suspension Insulator String, a suitable sized swinging hanger is provided on the tower so as to obtain specified clearances under swinging condition of the strings. The hanger, extensions links and D-shackles, which are of same rating/strength as that of corresponding rating/ ultimate tensile strength of insulator string, are used in transmission line.

ii. At tension towers, strain plates of suitable dimensions under each cross-arm tip, are provided for taking the hooks or D-shackles of the tension insulator strings.

3.1.6 Galvanizing of Tower Parts

The tower parts, stubs and pack washers are hot dip galvanized as per requirements of IS 4759.

3.1.7 Conductors for 765 kV and 400 kV transmission Lines

S.No.	Description	Conductor	Conductor
		765 kV D/C	400 kV D/C
1.	Type	ACSR 'ZEBRA' conductor	ACSR 'MOOSE' conductor
2.	Stranding and wire diameter (mm)		
2.1	Aluminium/ Al Alloy	54/3.18	54/3.53
2.2	Steel	7/3.18	7/3.53
3.	Conductor per phase	6	2
4.	Spacing between conductor of same phase (sub conductor spacing) (mm)	457	450 (In Twin)
5.	Overall Diameter (mm)	28.62	31.77
6.	Unit mass (kg/km)	1621	2004
7.	Min. Ultimate Tensile Strength (kN)	130	161

3.1.8 Earthing, Earth Wire and OPGW Details

Earth Wire/ OPGW is connected at the top of each tower to protect the transmission line from lightening. Each tower has been earthed with pipe or counterpoise earthing as per soil resistivity of that area. Appropriate type of earthing is adopted to ensure tower footing resistance does not exceed 10 ohms.

S.No.	Description	Earth Wire	OPGW
1.	Type	7/3.66mm GS	Buffer loose tube

		Earthwire	(24-F i.e. 12 pairs) Aggregate 508.54 km
2.	Stranding and wire diameter (mm)	Steel- 7/3.66	As per drawing
3.	Overall Diameter (mm)	10.98	13
4.	Unit mass (kg/km)	583	460
5.	Min. Ultimate Tensile Strength (kN)	68.4	78.4

3.1.9 Technical Information for 765 kV and 400 kV lines

S.No.	Description	Voltage Level	765 kV Line	400 kV Line
1.	Nominal Voltage	kV	765	400
2.	Maximum system voltage	kV	800	420
3.	BIL (Impulse)	kV (Peak)	2400	1550
4.	Power frequency withstand voltage (Wet)	kV (rms)	830	680
5.	Switching surge withstand voltage (Wet)	kV (rms)	1550	1050
6.	Minimum Corona extinction voltage at 50 Hz AC system under dry condition	kV (rms) phase to earth	510(min)	320 (min)
7.	Radio interference voltage at one MHz for phase to earth voltage of 510 k V under dry condition.	micro Volts	1000 (max)	1000 (max)

3.1.10 Insulator of 765 kV and 400 kV Transmission Lines

The insulators of the strings consist of composite long rod insulators for a three phase, 50 Hz, effectively earthed 765 kV and 400 kV AC transmission system application in a very heavily polluted environment. Couplings are ball and socket type. Composite Long Rod Insulators are proven to be effective for use under foggy/ humid operating conditions in polluted industrial environment combined with smoke and dust particles. Insulators are tested as per IEC-61109 or as per IEC-62217.

The details of the Insulator Strings are as below:

S.No.	Type of Insulator String	Size of Composite Insulator (Core dia x length) (mm)	Minimum Creepage Distance (mm) per unit	No. of Units per String (Nos.)	Electro-Mechanical Strength of Insulator Unit (kN)	Mechanical Strength of Insulator String (kN)
	INSULATOR FOR 765 kV D/C AC TRANSMISSION LINES WITH HEXA ZEBRA CONDUCTOR					
1	Double 'I' Suspension	24x2975	12,400	2x2	160	2x160
2	Single Suspension 'Pilot'	24x2975	12,400	1x2	160	160
3	Single Tension	24x2975	12,400	1x2	160	160
4	Quad Tension	24x2975	12,400	4x2	210	4x210
	INSULATOR FOR 400 kV D/C AC TRANSMISSION LINES WITH TWIN MOOSE CONDUCTOR					
1	Single 'I' Suspension	20x3335	13,020	1x1	120	120
2	Single Suspension Pilot	20x3335	13,020	1x1	120	120

3	Double Tension	24x3910	13,020	2x1	160	2x160

3.1.11 Spacer Damper and Rigid Spacer for ACSR Zebra and Moose Conductors

The spacer dampers are designed to maintain the bundle spacing of 457 mm under all normal operating conditions and to effectively control Aeolian vibrations as well as sub-span oscillations, and to restore conductor spacing after release of any external extraordinary load. The tolerance limit for nominal sub-conductor spacing shall be maintained within ±5 mm

The spacer dampers restore the normal sub-conductor spacing due to displacement by wind, electromagnetic and electrostatic forces, including the specified short circuit loading without permanent deformation or damage either to bundle conductors or to the spacer damper itself.

The clamping system has been designed to compensate for any reduction of conductor diameter due to creep.

The spacer damper assembly is capable of being installed and removed from the energized line by means of hot line techniques.

The sub-spans vary from 40m to 70m. The staggering scheme is such that the spacer dampers are unequally distributed along the span in order to achieve sufficient detuning of adjacent sub-spans during oscillations of sub-span mode as well as to ensure bundle stability for wind speeds up to 60 km/hr.

4. Communication System

As per Indian Electricity Grid Code (IEGC), agency establishing substation/ generating station has to provide real time data and voice from their stations to RLDC for efficient grid management. In consideration of the same, transmission lines constructed by PVTL are provided with 24-F (24 fibre) OPGW in place of one earth wire. OPGW serves dual purpose i.e. grounding wire as well as Fibre Optic Communication Cable. Presently six (6) fibres out of 24 fibres of OPGW are used to establish communication connectivity with CTU Communication network for providing access up to RLDC.

Communication Equipment at end stations of the lines were not in the scope of PVTL.

5. Environment and Safety

5.1 Environment

5.1.1 Transmission projects are considered by and large environmentally benign that don’t involve disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil. No specific environmental clearances are required for construction or operation of transmission projects. Forest clearance under Forest (Conservation) Act, 1980 from Ministry of Environment Forests and Climate Change (MoEFCC) is a mandatory requirement wherever transmission line involves forest area. Forest clearance is not applicable in instant case since no forest area is involved in the route of both the transmission lines of the project.

5.1.2 Due care has been taken to prevent/ mitigate community environmental aspects such as EMF exposure, , electrical shock and fire hazards, contamination of environmental receptors, noise level etc. These aspects are integral part of design based on international standards. In order to dispel the EMF effect, studies have been carried out with the help of PTI, USA and CPRI, Bangalore. POWERGRID designs used by PVTL follow the required international standards.

5.2 Safety

5.2.1 Standard procedures for safety are followed during construction, testing, operation and maintenance. Tower earthing, earth wire is provided for protection of transmission lines against lightening. Strict safety procedures for isolation, and permission to work protocols are in place.

5.2.2 It is mandatory for contractors to sign a 'Safety Pact' before award of contract. Further, all health and safety issues and its management aspects are made integral part of project including implementation of contract specific 'Safety Plan'. Preventive measures like use of personal protective equipment such as safety belts, helmets, shoes, gloves etc. are followed to avoid accidents in its work areas. Such measures include promoting mechanization for better and safe working conditions at the sites, contractual provisions like disqualification from future bidding, signing of safety pact, provision of penalties, payment of additional compensation to the legal heirs of the victims over and above the statutory compensation and daily safety briefings, mock drills and safety related trainings.

5.2.3 POWERGRID has been maintaining systems and procedures aligned with integrated management system comprising of quality, environmental and occupational health and safety management systems. Currently, it is in compliance of ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and OHSAS 45001:2018 for Occupational Health and Safety Management System.

6. Quality Control

In order to ensure compliance to design parameters, equipment were type tested as per relevant Indian and international Standards like IEC/BIS. The contractors furnished the reports for type tests as per technical specification during execution stage. These type tests are conducted in accredited laboratory (accredited based on ISO/ IEC Guide 25/17025 or EN 45001 by the national accreditation body of the country where laboratory is located) or witnessed by POWERGRID. From above, it is inferred that all the equipment/structures meet relevant standards.

Field Quality Assurance Department of POWERGRID has ensured field quality during construction. POWERGRID has internal systems and procedures for checking/ auditing the construction works. Field Quality Assurance Department at Corporate Centre has Standard Field Quality Plans (SFQP) for substations and transmission lines, standard formats and guidelines. The field quality plan covers all aspects during construction and erection of transmission lines and substations. This is a detailed document covering checks at various stages during project execution. This SFQP was an integral part of contract agreement. Field Quality Assurance executives made regular visits to the project site in line with the inspection calendar and ensured adherence to quality check procedures.

7. Operation and Maintenance

7.1 Philosophy

The O&M of the transmission lines, since their commissioning, has been carried out by POWERGRID as part of a consultancy services agreement entered between PVTL and POWERGRID for undertaking various post COD activities of the Company including Operation and Maintenance of transmission lines. The current agreement is valid with effect from 01.04.2020.

POWERGRID, on behalf of PVTL, has been carrying out regular maintenance of the transmission lines with defined periodicity and maintenance schedule.

The objective of operation and maintenance activities is to:

- carry out preventive maintenance so as to maximize the life of the assets
- minimize downtime of transmission line for maintenance purpose
- achieve system availability as specified in the TSA at economic cost

7.2 O&M Organization setup

A general O&M set up for transmission line includes a line in-charge, a transmission line maintenance engineer and a team of junior engineers, technicians and fitters. The team composition is flexible and is augmented/ strengthened based on requirements.

7.3 Procedure for O&M of transmission lines

Standard procedures, generally related to O&M of transmission lines, are being followed, which include general safety precautions to be followed during O&M activities of transmission lines; procedure and working instructions about action to be taken during fault/ tripping of transmission lines like co-ordination with the terminating stations for shutdown/ charging; maintenance schedule and procedures. The procedures generally include various formats to be filled during transmission line maintenance.

7.4 Maintenance of Transmission lines

Routine and preventive maintenance of transmission lines is being carried out as per defined/ standard schedules for transmission lines; and best practices in O&M such as regular patrolling of lines, periodic removal of vegetation, thermo-vision scanning, on-line insulator puncture detection etc. have been adopted. Trained in-house manpower/ hired manpower on contract basis has been identified to swiftly attend any unforeseen eventualities/ natural calamities.

7.4.1 Patrolling

The patrolling as generally followed is indicated below:

Type of patrolling	Schedule
Ground Patrolling-400 kV Lines	Six Monthly
Ground Patrolling-765 kV Lines	Four Monthly
Ground Patrolling- Critical locations	Three Monthly
Emergency patrolling	Immediate

7.4.2 Routine Maintenance of Lines

The activities which are part of routine maintenance are described below:

i. Routine ground patrolling includes inspection of structural and conductor components. The main purpose of inspection is identification of defects in lower as well as upper body of tower including insulators, jumper, hardware fittings, corona ring, grading ring, etc. Follow up maintenance activities are scheduled based on the criticality of identified defects.

ii. 100% of transmission line towers and spans are being checked by concerned technician/ junior engineer once in a patrolling cycle. At least 10% of towers of transmission lines are checked by concerned line engineer in a calendar year. At least five (5) towers are inspected by the concerned Line In-charge every month.

iii. Tower top patrolling of the lines are carried out in case of repeated tripping/ auto-reclosures to find untraceable faults during ground patrolling. Tower top patrolling is being carried out by maintenance team in live line conditions.

iv. In case of tripping of the line, emergency patrolling of few towers on both side of fault location is carried out using required testing kit. In case of permanent faults, offline fault locators are utilized by substation maintenance engineer to correlate with online fault location.

7.4.3 Emergency Procedures

i. In case of any tripping/ auto-reclosure of the line on account of line faults, the terminating station control room informs the line in charge about the incident with details of tripping including fault locator reading. Maintenance team visits the affected location/ site immediately. Based on nature of problem, the restoration work is taken up and if required, support of third party is also taken.

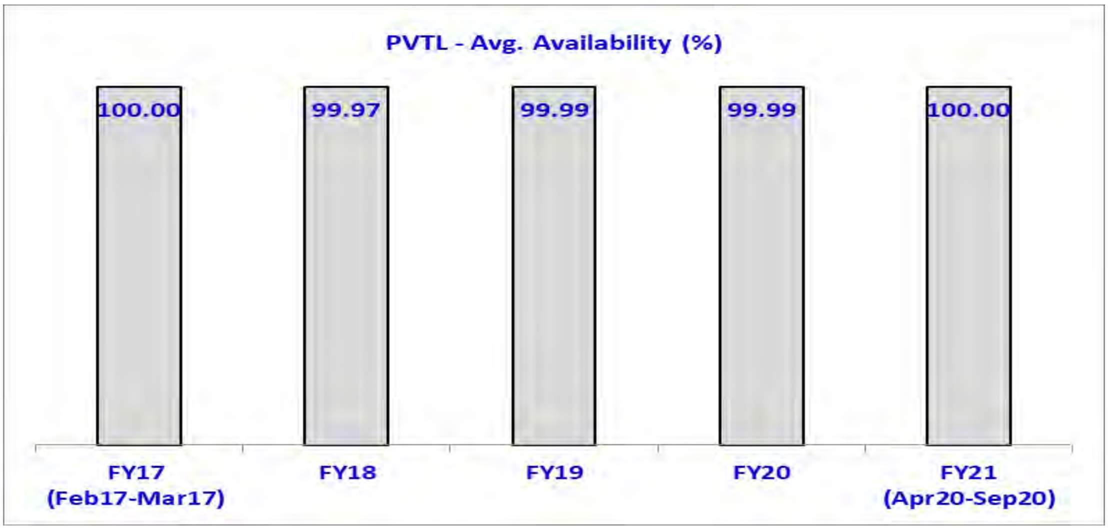
ii. POWERGRID maintains a region wise centralised emergency restoration system (ERS) with light weight towers and erection team. In case of tower collapse, POWERGRID, depending on availability, can provide the ERS on temporary and chargeable basis, so that the system can be restored at the earliest.

8. Availability of PVTL

8.1 Calculation of availability of the projects acquired through TBCB mechanism is carried out as stipulated in the respective TSA. The outage data of the company is submitted to respective RLDC(s) for checking. Based on the certified outages by RLDC(s), the RPC(s) issues the availability certificates.

8.2 As per TSA, the target availability for the project is 98%. The company is entitled to receive incentive/ required to pay penalty based on the annual transmission system availability.

8.3 The average availability since commercial operation of the project, including for the period Apr-20 to Sep-20 is given in chart below.



8.4 During the year 2019-20, the average availability was 99.99%. Month-wise availability since commercial operation of the project is given at Annexure-II.

8.5 The modalities for the calculation of incentive/ penalty is as under:

i. In case transmission system availability (in percentage points), as per the TSA, is 98%, the company gets full transmission charges as per the TSA.

ii. In case availability is less than 98%, the transmission charges are reduced proportionally.

iii. In case, availability in a contract year exceeds 98%, the company is eligible for receiving annual incentive subject to maximum availability of 99.75% which is calculated as below:

   a. *Incentive= 0.02 x Annual tariff x (Actual annual availability – Target availability)*

iv. Penalty is imposed in case system availability in a contract year is less than 95%. The annual penalty is calculated as:

   a. *Penalty = 0.02 x Annual tariff x (Target availability – Actual annual availability)*

9. Spare Parts Management

The initial spares procured by PVTL are handed over to POWERGRID for maintenance. These initial spares are well maintained in stores as per POWERGRID procedures and condition monitoring of the same is carried out periodically. In case of consumption/ shortage, either the company replenishes the consumed spares to POWERGRID or POWERGRID takes procurement action for replacement spares at the cost of the Company. Further, in case there is a problem in restoration of the system due to non-availability of spares, the availability of the same can be checked with other companies and can be taken on replenishment basis.

All mandatory spares are kept in stock. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

10. Physical Security of Assets

Transmission lines are spread across the country and no exclusive security is deployed. However, patrolling of the transmission line is scheduled in such a way that every tower of the line is checked at least three times in a year for 765 kV/ critical / vulnerable locations and at least two times in a year for 400 kV lines. In case of any theft in transmission line the issue is taken-up with local authorities.

11. Cyber Security

Cyber threats to critical assets under operation due to use of Information Technology (IT) are well recognised. The company has put in place appropriate controls to minimise cyber risks to its operating assets.

11.1 Management Practices

The cyber security aspect related to design, engineering, procurement, construction of transmission systems; Operation and Maintenance activities for transmission systems, and Communication Systems are in compliance to the requirements of construction standards by CEA, Indian Electricity Grid Code, 2010 and framework specified under Information Technology Act, 2000. POWERGRID continuously maintains liaison with NCIIPC and CERT-IN, the statutory bodies established under Information Technology Act, 2000, with regard to specific cybersecurity threat inputs and expert guidance.

12. Risk Analysis

12.1 Operating risk

The operating risk due to fault, earthquake, short circuit, falling or touching of trees, lightning strike, travelling wave, corona discharge, wind, storm, rain, hail-storm, cyclone, flood, over loading, single phase tripping, sitting of birds, grid separation, over and under voltage are part of business as usual scenario for a transmission service provider. The design, compliance with technical standards, quality plan, inspection and testing adequately covers the operating risk which is evident from the availability since commissioning of the project. Sound operation and maintenance practices, adequate qualified/ skilled manpower, preventive maintenance, diagnostic testing, protection audits, healthy work culture, good T&P would ensure reliable operation of the scheme for decades to come. All mandatory spares are kept in stock and spare management ensures timely availability of required spares

12.2 Risk of Tower Failure

As a disaster management system, POWERGRID is having Emergency Restoration System (ERS) in different regions at strategic locations for both 400 kV and 765 kV systems. POWERGRID is also having trained manpower for erection of ERS system at the shortest interval of time. In case of requirement and depending upon the availability with POWERGRID, the ERS towers can be arranged, on chargeable basis, for timely restoration of the line.

13. Regulatory Aspects

13.1 Extension of License

As per Section 15 of the Electricity Act:

'(8) A licence shall continue to be in force for a period of twenty- five years unless such licence is revoked'.

These 25 years are counted from the date of grant of license that includes construction period as well. However, the tenure of Transmission Service Agreement to operate the assets is for 35 years from the date of commercial operation. Therefore, to cover the gap it has been specifically provided in the license that, '*since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law.*

Regulation 13(2) of the CERC Transmission License Regulations states,

' *(2) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence: Provided that when the licensee does not make an application for grant of licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life'.*

As a general practice observed in the industry and considering the performance of the company since DOCO, there is no risk of non-extension of license after initial period 25 years.

13.2 Revocation of License

The reasons and process of revocation of license is clearly specified in Section 19 of the Electricity Act, as follows:
Section 19.

(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:

(a) Where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;

(b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

(c) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –

(i) To show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or

(ii) To make the deposit or furnish the security, or pay the fees or other charges required by his licence;

(d) Where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.

(2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.

(3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.

(4) The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.

(5) Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.

(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by that Commission for grant of licence'.

In view of above, it is most likely that license of the Company shall be extended in accordance with law.

13.3 Operation of Assets beyond TSA period

As per the RfP document and CERC order granting transmission license, the assets have been created by the company on Build, Own, Operate and Maintain (BOOM) basis. The Right of Way (not ownership but limited to related construction and O&M activities) and other statutory approvals belong to the Company.

Though the Transmission License is granted for a period of 25 years initially, it can be extended as per various provisions of TSA and CERC Regulations.

The transmission lines are designed to provide a service life of more than 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years, the useful life can be extended even beyond 50 years, by carrying out required renovation works. The first 400 kV line built in early 1970s is still in service. Further, many assets of POWERGRID which have completed 30 years and more have been performing well in terms of availability.

The transmission lines associated with hydro projects may well be required beyond 50 years depending on evolution of the grid. If there is a grid, the 765 kV and 400 kV lines are indispensable. The right of way is always valuable and even after 50 years lines are usually refurbished, sometimes the voltage is stepped up, sometimes, multi-circuit patches are added.

In view of above analysis, the technical life of transmission line can be considered up to 50 years.

In regard to the life of asset beyond the tariff period, the TSA provides for the following:
2.2.1 Subject to Article 2.2.2 and Article 2.4, this agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.

The extant provisions of regulation 13(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulation, 2009 in this regard provide that if the transmission licensee (i.e. PVTL in this case) decides to undertake renovation and 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.

Presently, procedures in this regard are yet to be notified by CERC.

14. Insurance

PVTL has taken the insurance policy for its assets with effect from 01.11.2020. Prior to that the risk was covered by creating a self insurance reserve in the books of accounts.

15. Conclusion

15.1 The project was planned for import of power from Eastern Region to Southern Region. The project comprises of two transmission lines, both of which have been successfully charged and declared under commercial operation as per details below:

Transmission lines	Line length (ckm)	DOCO
765 kV D/C Srikakulam PP – Vemagiri-II Pooling Station line	668 ckm	01.02.2017
400 kV D/C Khammam (Existing) – Nagarjuna Sagar line	288.84 ckm	03.01.2016

The COD of the Project is 01.02.2017. The scheduled COD has been revised by the LTTCs to 01.02.2017.

15.2 The company has obtained all necessary statutory clearances like, approval under Section 68 of the Electricity Act, Authorization under Section 164 of the Electricity Act, Grant of Transmission License by CERC, Route approval by PTCC, Electrical Safety Clearance of CEA for construction, commissioning and operation of the assets at its rated voltage.

15.3 The company entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The system has been constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols.

15.4 The Company has entered into the agreement with POWERGRID for operation and maintenance of the transmission lines and other post COD activities.

15.5 Mandatory spares for transmission lines are maintained by PVTL and handed over to POWERGRID. In case of consumption of spares, the same are being replenished by PVTL or being procured by POWERGRID at the cost of PVTL. Also, in case of requirement, PVTL can request POWERGRID for ERS towers and depending on availability, it can be provided on chargeable basis.

15.6 Standard procedures for safety are followed during construction, testing, operation and maintenance to avoid any untoward incident.

15.7 The availability of PVTL has been reviewed and it has been observed that average availability of PVTL since commissioning of the project is more than 99.75% and during FY21, the average availability for Apr20 to Sep-20 has been 100.00%. As per TSA, the target availability for claiming full transmission charges is 98% and maximum permissible limit for availing annual incentive is 99.75%.

15.8 As per TSA, the life of the project is required to be 35 years. However, with proper maintenance, the life of project can be extended upto 50 years.

Prepared by:

RAVINDER
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser, The World Bank, ADB
147, Bhagirathi Apartments,
Plot No. 13/1, Sector – 9, Rohini,
New Delhi – 110 085

Annexure-I

SUMMARY OF APPROVALS AND LICENCES

POWERGRID VIZAG TRANSMISSION LIMITED

S No.	Approvals	Date of Issue	Authority
1	**Company Registration**	**02-03-2012**	**Ministry of Corporate Affairs - GoI**
2	**Transmission Licence (25 years)**	**08-01-2014**	**Central Electricity Regulatory Commission**
3	**Forest Clearance**	**Not Required**	
4	**Approval under Section 68 of Electricity Act,2003**	**08-03-2012**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**21-05-2014**	**Central Electricity Authority (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power and Telecommunication Coordination Committee clearance**		
8(1)	400 kV D/C Khamman to Nagarjuna	25-04-2015	PTCC - Government of India
8(2)	765 kV D/C Srikakulam-Vemagiri	29-09-2016	PTCC - Government of India
9	**Railway Crossing**		
	1. Srikakulam-Vemagiri 765 kV D/C line		
9(1)	Mast No. 11/14-16 b/w Mallividu-Lakkavarapukota	20-11-2015	East Coast Railway
9(2)	Track at km 12/5-12/6 b/w Pedasana-Temburu	20-11-2015	East Coast Railway
9(3)	Mast no. 456/7-9 b/w Gotlam-Garudabili	20-11-2015	East Coast Railway
9(4)	Mast no. 769/29-31 b/w sigadam-ponduru	20-11-2015	East Coast Railway
	2. 400 kV D/C Khammam – Nagarjuna Sagar		
9(5)	Mast no. 473/11-12 and 473/13-14 of Khammam-Dorknal	20-03-2015	South Central Railway
9(6)	Track at Km/TP: 123/5-123/6 b/w KDGL-MRGA	16-06-2015	South Central Railway
10	**Road Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line		
10(1)	NH-16 at km 853/612 at Prathipadu village	14-09-2016	National Highways Authority of India
10(2)	NH-43 in Nellivada village	18-08-2016	National Highways and CRF
	2. 400 kV D/C Khammam – Nagarjuna Sagar		
10(3)	NH-65 at km stone 168 - 169 of Hyderabad-Vijaywada	30-11-2015	National Highways Authority of India
11	**River Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line	No Major River Crossing in this line	
	2. 400 kV D/C Khammam – Nagarjuna Sagar line	No Major River Crossing in this line	

S No.	Approvals	Date of Issue	Authority
12	**Powerline Crossing**		
	1. 765 kV D/C Srikakulam-Vemagiri line		
12(1)	400 kV D/C Kalpaka - Khammam Line	28-06-2016	AP Transco
12(2)	400 kV S/C Vijaywada-Gajuwada Line	08-05-2016	Power Grid Corporation of India Ltd
12(3)	400 kV D/C Vemagiri - Simhadry Line	31-07-2016	Power Grid Corporation of India Ltd
12(4)	132 kV Peddapuram - Prithipadu-I Line	08-09-2016	AP Transco
12(5)	132 kV Peddapuram - Prithipadu-II Line	08-09-2016	AP Transco
12(6)	132 kV Navabharat – Prithipadu Line	08-09-2016	AP Transco
12(7)	132 kV D/C Pendurti-TB Vara Line	18-06-2016	AP Transco
12(8)	132 kV S/C Koruprolu-Narisipatnam Line	29-05-2016	AP Transco
12(9)	220 kV S/C Line Seileru-Pendurthi line	21-04-2016	AP Transco
12(10)	400 kV D/C Jeypore-Gajuwaka Line	04-07-2016	Power Grid Corporation of India Ltd
12(11)	220 kV D/C BD Palem - Bobbili Line	08-09-2016	AP Transco
12(12)	132 kV S/C Ventithadi-TB Voora Line	08-05-2016	AP Transco
12(13)	132 kV S/C Garividi-TB Voora Line	08-05-2016	AP Transco
12(14)	132 kV S/C Garividi-Vontithadi Line	22-05-2016	AP Transco
12(15)	132 kV S/C Garividi-TB Voora Line	22-05-2016	AP Transco
12(16)	220 kV D/C Garividi-Pendurti Line	03-07-2016	AP Transco
12(17)	132 kV D/C Garividi Pydibhimavaram and Pydibhimavaram Chilakapalem Line	14-08-2016	AP Transco
12(18)	132 kV D/C Garividi-Palakonda and Pydibhimavaram Chilakapalem Line	24-07-2016	AP Transco
12(19)	220 kV D/C Garividi-Tekkali Line	10-07-2016	AP Transco
12(20)	132 kV D/C Garividi-Palakonda to Tekkali-Ponduru Line	25-08-2016	AP Transco
12(21)	132 kV D/C Tekkali - Pathapattanam	03-04-2016	AP Transco
12(22)	132 kV D/C Gaarividi-Tekkali	20-03-2016	AP Transco
	2. 400 kV D/C Khammam – Nagarjuna Sagar line		
12(23)	132 kV D/C Khammam-Dornakal Line	23-09-2015	South Central Railway
12(24)	132 kV D/C Khammam-Kusumanchi line	21-09-2015	Madhucon Sugar and Power Industries Limited
12(25)	132 kV D/C Kusumanchi - Madhucon line	21-09-2015	Madhucon Sugar and Power Industries Limited
12(26)	220 kV S/C KTPS -Miryalaguda Line	10-12-2015	TS Transco
12(27)	400 kV D/C VTPS -Malkaram Line	21-12-2015	TS Transco
12(28)	400 kV S/C Khammam- Nagarjuna Sagar Line	12-09-2015	Power Grid Corporation of India Ltd
12(29)	132 kV D/C Miryalaguda - Podugulla	02-12-2015	TS Transco
12(30)	132 kV Miryalaguda - Wadapalli Feeder 1and2	21-12-2015	TS Transco

S No.	Approvals	Date of Issue	Authority
12(31)	132 kV S/C Rentichintala - Parasakti SS line	02-12-2015	AP Transco
12(32)	132 kV Rentichintala - Nagarjuna Sagar Tail Pond Line	02-12-2015	AP Transco
12(33)	220 kV D/C Budidampadu - Bhuvanagiri	21-12-2015	TS Transco
12(34)	220 kV D/C Khammam - Miryalaguda	21-12-2015	TS Transco
12(35)	132 kV Miryalaguda - Dirsencherla and Miryalaguda - Matampalle	02-12-2015	TS Transco
12(36)	220 kV D/C Tallapalli to VTPS	02-12-2015	AP Transco
12(37)	132 kV S/C Budidampadu - Dornakal	02-12-2015	TS Transco
13	**Aviation Clearance - NOC for Transmission line**		
13(1)	765 kV D/C Srikakulam-Vemagiri line	19-08-2016	Eastern Naval Command, Naval Base, Visakhapattnam
13(2)	400 kV D/C Khammam - NagarjunaSagar line	Not Required	
14	**Defence Clearance- NOC from aviation angle for construction**	**Not Required**	
15	**Transmission service agreements**	**14-05-2013**	
16	**Approval for adoption of Tariff (35 years)**	**23-01-2014**	**Central Electricity Regulatory Commission**

Annexure-II

POWERGRID VIZAG TRANSMISSION LIMITED (PVTL)														
COD of the Project: 01.02.2017														
FY17	**Month**											**Feb-17**	**Mar-17**	**Avg**
	Availability											100.00	100.00	100.00
FY18	**Month**	**Apr-17**	**May-17**	**Jun-17**	**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**	**Avg**
	Availability	99.91	99.97	100.00	100.00	100.00	100.00	99.97	100.00	100.00	100.00	99.73	100.00	99.97
FY19	**Month**	**Apr-18**	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Avg**
	Availability	99.95	100.00	99.95	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	99.99
FY20	**Month**	**Apr-19**	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Avg**
	Availability	100	99.96	99.92	100	100	100	100	100	100	100	99.96	100	99.99
FY21	**Month**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**							**Avg**
	Availability	100	100	100	100	100	100							100.00

Technical Due Diligence Report

POWERGRID KALA AMB TRANSMISSION LIMITED (PKATL)

Ravinder
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB

November 2020

Contents

Abbreviations/ Acronyms

S.No.	Abbreviation/ Acronym	Description
1.	AC	Alternating Current
2.	ACSR	Aluminium Conductor Steel-Reinforced
3.	ADB	Asian Development Bank
4.	AI	Aluminium
5.	ANSI	American National Standards Institute
6.	BIL	Basic Insulation Level
7.	BIS	Bureau of Indian Standards
8.	BOOM	Build Own Operate and Maintain
9.	BPC	Bid Process Coordinator
10.	CB	Circuit Breaker
11.	CEA	Central Electricity Authority
12.	CERC	Central Electricity Regulatory Commission
13.	CERT-IN	Computer Emergency Response Team- India
14.	COD	Commercial Operation Date
15.	CPRI	Central Power Research Institute
16.	CT	Current Transformer
17.	CTU	Central Transmission Utility
18.	CVT	Capacitive Voltage Transformers
19.	D/C	Double Circuit
20.	DC	Direct Current
21.	DCDB	Direct Current Distribution Board
22.	DG Set	Diesel Generator Set
23.	DISCOM	Distribution Company
24.	DOCO	Date of Commercial Operation
25.	DTPC	Digital Tele Protection Coupler
26.	EMF	Electro Magnetic Field
27.	ERS	Emergency Restoration System
28.	FSC	Fixed Series Capacitor
29.	FY	Financial Year
30.	GIS	Gas Insulated Switchgear
31.	gm	gram
32.	GoI	Government of India
33.	GPS	Global Positioning System
34.	GS	Galvanized Steel
35.	HMI	Human Machine Interface
36.	Hz	Hertz
37.	ICT	Inter Connecting Transformer
38.	IEC	International Electrotechnical Commission
39.	IEDs	Intelligent Electronic Devices
40.	IEEE	Institute of Electrical and Electronics Engineers
41.	IEGC	Indian Electricity Grid Code
42.	InvIT	Infrastructure Investment Trust

S.No.	Abbreviation/ Acronym	Description
43.	IP	Internet Protocol
44.	IS	Indian Standards
45.	ISO	Indian Standards Organization
46.	kA	kilo Ampere
47.	kg	kilogram
48.	km	kilometer
49.	kN	kilo Newton
50.	kPa	kilo Pascal
51.	kV	kilo Volt
52.	LILO	Loop-in-Loop-out
53.	LoI	Letter of Intent
54.	LT	Low Tension
55.	m	meter
56.	M/C	Multi-circuit
57.	m^2	square meter
58.	Max	Maximum
59.	min	Minimum
60.	mm	millimeter
61.	MOV	Metal Oxide Varistor
62.	ms	milli second
63.	MVA	mega Volt Ampere
64.	MVAR	mega Volt Ampere Reactive
65.	NCIIPC	National Critical Information Infrastructure Protection Centre
66.	NRLDC	Northern Regional Load Despatch Centre
67.	NRSS	Northern Region System Strengthening
68.	NTL	NRSS XXXI (A) Transmission Limited
69.	O&M	Operation and Maintenance
70.	OEM	Original Equipment Manufacturer
71.	OPGW	Optical Ground Wire
72.	P.d.	partial discharge
73.	p.u	per unit
74.	Ph./ ph.	phase
75.	PKATL	POWERGRID Kala Amb Transmission Limited
76.	PLCC	Power Line Carrier Communication
77.	POSOCO	Power System Operation Corporation Limited
78.	POWERGRID	Power Grid Corporation of India Limited
79.	PTCC	Power and Telecommunication Coordination Committee
80.	RBAC	Role Based Access Control
81.	RECTPCL	REC Transmission Projects Company Limited
82.	RfP	Request for Proposal
83.	RLDC	Regional Load Dispatch Centre
84.	rms	Root Mean Square
85.	RoW	Right of Way

S.No.	Abbreviation/ Acronym	Description
86.	RPC	Regional Power Committee
87.	SAS	Sub Station Automation System
88.	SCADA	Supervisory Control and Data Acquisition
89.	SDH	Synchronous Digital Hierarchy
90.	SEB	State Electricity Board
91.	SF6	Sulphur Hexa Fluoride
92.	SFG	Sulphur Hexa Fluoride Gas
93.	SFQP	Standard Field Quality Plan
94.	SOP	Standard Operating Procedure
95.	SPV	Special Purpose Vehicle
96.	STM	Synchronous Transport Module
97.	STPS	Super Thermal Power Station
98.	TBCB	Tariff Base Competitive Bidding
99.	TSP	Transmission Service Provider
100.	USB	Universal Serial Bus
101.	V	voltage
102.	VT	voltage transformer
103.	μF	microfarad
104.	Ω	Ohm

POWERGRID KALA AMB TRANSMISSION LIMITED (PKATL)

Technical Due Diligence Report

EXECUTIVE SUMMARY

Background

POWERGRID Kala Amb Transmission Limited ('Project Company'/'Company'/'Project') is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). PKATL, set up as a SPV for development of transmission scheme, '*Transmission System for Northern Region System Strengthening Scheme NRSS-XXXI (Part-A)*' was acquired by POWERGRID under TBCB mechanism on build, own, operate and maintain (BOOM) basis.

POWERGRID is India's Central Transmission Utility and the largest power transmission utility in the country. It is also one of the largest transmission utilities of the world. Including PKATL, it presently owns 19 wholly owned subsidiaries acquired under TBCB mechanism. Each of these subsidiaries was set up as a SPV for executing a specific transmission project and was acquired by POWERGRID under TBCB mechanism. Out of the total 19 subsidiaries, eight are operational and balance eleven are under construction phase.

Mr. Ravinder has been appointed as Independent Engineer (IE) by POWERGRID Unchahar Transmission Limited, a wholly-owned subsidiary of POWERGRID, for Technical Due Diligence of the above transmission Project.

Project Description

To meet the present and future load requirements at Kala Amb/ Poanta/ Giri area in Himachal Pradesh, a transmission system *'Northern Region System Strengthening Scheme, NRSS-XXXI (Part A)'* was planned to establish a Sub Station at Kala Amb and LILO of both circuits of 400 kV D/C Karcham Wangtoo - Abdullapur line.

Ministry of Power, Government of India has notified REC Transmission Projects Company Limited (RECTPCL) to be the Bid Process Coordinator (BPC), who invited bids for selection of Transmission Service Provider (TSP) based on 'Tariff Based Competitive Bidding Guidelines for Transmission Services'. POWERGRID was selected as TSP for executing the Scheme *'Northern Region System Strengthening Scheme, NRSS-XXXI (Part A)'* consisting of 400/220 kV GIS Sub Station and 400 kV transmission line. The Project was executed by the SPV, POWERGRID Kala Amb Transmission Limited (PKATL).

The Transmission System executed by the SPV consists of:

a) Establishment of a 7x105 MVA (1-ph.), 400/220 kV GIS Substation at Kala Amb
b) LILO of both circuits of 400 kV D/C Karcham Wangtoo – Abdullapur line (Quad Moose) at Kala Amb Substation (on M/C towers)
c) 40% Series Compensation on 400kV D/C (Quad Moose) Karcham Wangtoo-Kala Amb line at Kala Amb ends

The Transmission Service Agreement (TSA) was signed between twenty-two (22) Long Term Transmission Customers (LTTCs) and NRSS-XXXI (Part A) Transmission Limited (erstwhile name of POWERGRID Kala Amb Transmission Limited), with Uttar Pradesh Power

Corporation Limited (UPPCL) being the Lead Long Term Customer. According to the TSA. According to the TSA, scheduled COD of the project was July, 2017.

PKATL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The Project was implemented through multiple supply and erection contracts with various agencies which mainly included supply contracts for substation equipment, tower, conductor and insulator and contracts for substation civil works, tower erection and stringing.

The substation and transmission lines have been designed as per relevant IS/IEC Standards. Further, the erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per its standard procedures and protocol.

The date of grant of approval from CEA for the elements and date of commercial operation after successful trial operation are as follows:

S.No.	Element	CEA Energization Approval	DOCO
1	Establishment of a 7x105 MVA (1-ph.), 400/220 kV GIS Substation at Kala Amb	NRIO/PGCIL-316/PKATL/ Kala Amb GIS/HP/17/124 dt.05.07.2017	12.07.2017
2	LILO of both circuits of 400 kV D/C Karcham Wangtoo-Abdullapur line at Kala Amb Substation (on M/C towers)	NRIO/PGCIL316/PKATL/ LILO/Kala Amb/HP/17/133 dt. 05.07.2017	12.07.2017
3	40% Series Compensation on 400kV D/C (Quad Moose) Karcham Wangtoo-Kala Amb line at Kala Amb ends	NRIO/PGCIL-316/PKATL/ Kala Amb GIS/HP/17/124 dt.05.07.2017	12.07.2017

PKATL entered into an agreement with POWERGRID for post COD activities including Operation and Maintenance activities for effective O&M of the transmission lines and substation. Additionally, regular trainings are being conducted by POWERGRID for O&M personnel on the latest techniques for effective maintenance of the substation and transmission lines.

This Technical Due Diligence Report including the observations and recommendations of IE is based on the review of the Technical Specifications, Material Quality Plan, Type Test Certificates, Field Quality Plan, operation and maintenance procedures, cyber security procedures, communication systems, environment and safety, and risk aspects of the Project. The Technical Due Diligence Report evaluates all aspects related to technical suitability, clearances, quality, maintenance, environment, safety and identifies risks, if any in operation of the Project during its useful life. The report comprises of the following sections:

Section - 1: Introduction

This Section presents a brief introduction of the Project.

Section - 2: Transmission License

Details of Transmission License including the validity of the License and conditions of the License throughout the period of the License are discussed in this Section.

Section - 3: Project

Substation Equipment

Design aspects of the Substation equipment like Circuit Breaker, Isolator, Current Transformer, Protection and Control etc. including the switching scheme are discussed in detail. Further, the Insulation Coordination aspect is also discussed in this section.

Transmission Lines

Technical details of Towers including Classification of Towers, Conductor, Earthwire, OPGW, Insulators, etc. have been described in this Section.

Section - 4: Communication System

Details about the communication system requirement as per IEGC and its compliance by the Company have been described in this Section.

Section - 5: Environment and Safety

This Section covers the environment and social aspects of the Project. The practices adopted by the Company for maintaining Environment, Health and Safety aspects in relation to the project are discussed in this Section.

Section - 6: Quality Control

The quality aspects of the project like compliance to design parameters, conformance of the tests to various Indian and International Standards, Standard Field Quality Plans during execution of project etc. is discussed in this Section.

Section - 7: Operation and Maintenance

The philosophy followed for operation and maintenance of the Project has been described in this Section.

Section - 8: Availability of the Project

The performance of project in terms of availability is assessed in this Section.

Section - 9: Spares Part Management

The philosophy of spare part management is described in this Section.

Section - 10: Physical Security of Assets

The security aspect of the Project has been described in this Section.

Section - 11: Cyber Security

Various aspects of cyber security measures have been discussed in this Section.

Section – 12: Risk Analysis

The assessment of risks associated with the project has been carried out in this Section under various relevant heads.

Section – 13: Regulatory Aspects

The regulatory aspects of the project like Extension of License, Revocation of License and Operation of Assets beyond TSA period have been discussed in this Section.

Section – 14: Insurance

The aspects related to insurance of the project has been discussed in this Section.

Section – 15: Conclusion

The findings of the IE have been summarised and presented in this Section.

As per the specifications provided by POWERGRID, the substation, transmission line and towers have been designed, installed and tested in accordance with relevant Standards. The design has also met statutory requirements such as the Indian Electricity Rules, Indian Factory Act and Indian Electricity Grid Code etc. IE is of the opinion that the comprehensive Quality Assurance Plan is being followed, the final design and specifications of equipment/ systems installed in the substation and transmission lines are in line with the technical specifications, drawings and documents have been reviewed and approved by POWERGRID.

IE reviewed the status of various approvals and clearances. PKATL has obtained all major permits and clearances.

IE is of the opinion that PKATL has taken adequate measures for management of the complete project for supervision of various contract packages during the construction phase.

IE is of the opinion that the O&M organization set-up is adequate and the O&M philosophy is effective in achieving the target availability.

1. Introduction

The available generation and transmission network was not adequate to meet the load requirements of Kala Amb/ Poanta/ Giri areas in Himachal Pradesh. In order to meet the present and future load requirement, establishment of a 400/220 kV substation at Kala Amb by LILO of Karcham Wangtoo-Abdullapur 400kV D/c line was proposed. Further, considering the issue of hilly terrain and scarcity of land in Himachal Pradesh, GIS station was proposed and the LILO to be carried out on multi-circuit towers to conserve RoW.

The transmission scheme was agreed in the 31st Standing Committee meeting on Power System Planning of Northern Region held on 02.01.2013 and approved by the Government of India for TBCB during 31st meeting of the Empowered Committee on Transmission held on 18.02.2013 at CEA, New Delhi.

RECTPCL was notified by Ministry of Power, GoI vide notification No. 15/1/2013-Trans dated 20.5.2013 as the BPC for the purpose of selection of bidder as Transmission Service Provider (TSP) to establish the transmission system for *'Northern Region System Strengthening Scheme, NRSS-XXXI (Part A)'* on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding. A Special Purpose Vehicle (SPV), 'NRSS XXXI(A) Transmission Limited.' was incorporated on 29.07.2013 by RECTPCL as its wholly owned subsidiary to initiate work on the project. RECTPCL invited bids from the prospective bidders. After successful completion of bidding process for the project, POWERGRID emerged as the successful bidder with the lowest annual levelized transmission charges of Rs.594.34 million**.**

LoI was issued on 26.02.2014 and the SPV, NRSS XXXI(A) Transmission Ltd., was acquired by POWERGRID on 12.5.2014 with scheduled COD of 38 months for the project.

Overall system design including transmission line and substation has been done by POWERGRID as part of the consultancy assignment given by the Company. The design of various towers used in the transmission lines were developed in-house. The type tested designs of POWERGRID complying to CEA's technical standards, regulations and relevant Indian standards have been deployed. Protection setting coordination has been finalised by POWERGRID.

Complete quality control plan during various stages of manufacturing, erection, factory and site testing has been as per POWERGRID standard quality control plan. The system has been designed and constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols. POWERGRID has standard pre-commissioning documents for substation equipment, transformer/ reactors, protection system, GIS substation and transmission lines. The components have been designed, manufactured, transported, stored, erected, tested and commissioned in compliance with relevant Indian and International Standards.

All relevant statutory technical clearances are in place, including the following:

i. Approval under Section 68 of the Electricity Act
ii. Authorisation under Section 164 of the Electricity Act
iii. Grant of Transmission License by CERC
iv. Route approval by PTCC, GoI

v. Electrical Safety Clearance of CEA

List of all relevant Approvals and Clearances are placed at Annexure-I

The details of the Project Elements of PKATL are as follows:

S.No.	Transmission System Associated with PKATL			
	Transmission Lines (including any stations/ Substations)	**Route length (km)/ Line length (ckm) Transformation Capacity (MVA)**	**Conductor**	**Actual COD**
1	LILO of both circuits of Karcham Wangtoo – Abdullapur line at Kala Amb Substation (on M/C towers)	1.233 km/ 2.466 ckm	Quad Moose	12.07.2017
2	Establishment of a 7x105 MVA (1-ph.), 400/220 kV GIS Substation at Kala Amb 400 kV – Line Bays: 4 No. – 400/220 kV ICT: 7 x 105 (1-ph) – ICT bays: 2 no. – Bus Reactor (80 MVAR): 2 no. – Bus Reactor Bay: 2 no. – Space for line/ICT bays: 4 no. – Space for ICT: 1 no. 220 kV – Line Bays: 6 no. – ICT bays: 2 no. – Space for line/ICT bays: 4 no.	630 MVA	400 kV and 220 kV INDOOR Substation	12.07.2017
3	40% Fixed Series Compensation on 400 kV Karcham Wangtoo – Kala Amb line at Kala Amb ends	-	40% Fixed Series Compensation	12.07.2017

The project has been commissioned on schedule.

As per the TSA executed with the Long Term Transmission Customers (LTTCs), the expiry date of TSA is 35 years from scheduled COD of the project. Considering the scheduled COD of 12.07.2017 for the Project, the remaining period of the TSA with LTTCs is 31.61 years.

PKATL, in accordance with the Sharing Regulations of CERC, entered into a Revenue Sharing Agreement (RSA) and a Transmission Service Agreement (TSA) with CTU. The transmission charges are collected in accordance with the billing, collection and disbursement procedure set out in the TSA with CTU and disbursed to PKATL, and as directed by the CERC.

Project Location Map

2. Transmission License

Central Electricity Regulatory Commission New Delhi in Petition No. 94/TL/2014 dated 04.09.2014 granted transmission license to Northern Region System Strengthening Scheme, NRSS-XXXI (Part A), B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016. The name was subsequently changed to POWERGRID Kala Amb Transmission Limited.

The grant of transmission licence to the petitioner is subject to the fulfilment of following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The petitioner shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees)

Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The petitioner shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under Subsection (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.

(h) The petitioner shall 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;

(i) The petitioner shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;

(j) The petitioner shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;

(k) The petitioner shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and

(l) The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 27.06.2015.

3. Project

PKATL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project.

3.1 Substation

3.1.1 General Information

S.No.	Description	Details

S.No.	Description	Details
1	Location of Sub Station	400/220 kV Kala Amb GIS Substation Tehsil Nahan, Distt. Sirmour, Himachal Pradesh-173030
2	Area of Substation	10.5 Acres
3	Substation Packages award and commissioning details	
a)	Substation Package including transformer and Reactors	i) Agency: Siemens India ii) Scope: ▪ 400/220 kV INDOOR Gas Insulated Switchgear ▪ 7x105 MVA,1-ph 400/220/33 kV Auto transformer ▪ 2x80, 3-ph, 420 kV Bus Reactor ▪ 40% Series Compensation on 400 kV Karcham Wangtoo-Kala Amb Line at Kala Amb end
4	Common Facilities	i) One 630 kVA, 11/0.4 kV LT transformer connected with dedicated SEB Supply ii) One 630 kVA, 33/0.4 kV LT transformer connected with tertiary of 315 MVA, 400/220/33kV autotransformer iii) Power Back up by 250 kVA DG Set iv) Stores v) 400kV and 220kV GIS buildings

3.1.2 Design of Substation Equipment

S.No.	Description of Parameters	400 kV System	220 kV System
1.	System operating voltage	400 kV	220 kV
2.	Maximum operating voltage of the system(rms)	420 kV	245 kV
3.	Rated frequency	50 Hz	50 Hz
4.	No. of phase	3	3
5.	Impulse withstand voltage for (1.2/50 microsec.) -Transformer and reactors - for other equipment	 1300 kVp 1425 kVp	 950 kVp 1050 kVp
6.	Minimum creepage distance (25mm/kV)	10500 mm	6125 mm
7.	Max. fault current	40 kA	40 kV
8.	Duration of fault	1 sec	1 sec

3.1.3 Insulation Coordination

The 400 kV and 220 kV system is designed to limit the switching surge over voltage of 1.9 p.u.(NA) and 2.5 p.u., respectively and is expected to decay to 1.5 p.u. in 5 to 6 cycles. Consistent with these values and protective levels provided by lightning arrestors, the insulation levels are adopted for 420 kV systems.

3.1.4 Switching Scheme

It is essential that the system should remain secure even under conditions of major equipment or bus-bar failure. Substations being the main connection points have large influence on the security of the system as a whole. The selection of the bus switching scheme is governed by the various technical and other related factors.
One and Half breaker bus scheme for 400 kV and double bus for 220 kV have been provided due to their merits in terms of reliability, security, operational flexibility and ease of maintenance of equipment.

3.1.5 400 kV Gas Insulated Switchgear

The GIS uses sulphur hexafluoride as insulated medium. The main bus bars are single phase encapsulated having 4000A thermal rating and short circuit rating of 40 kA for 1 sec. The SF6 rated pressure is 620 KPa except of circuit breaker and voltage transformer compartments (560 KPa). The GIS is located in a building with overhead crane and having space for maintenance. The ICTs are connected with GIS tubing. GIS is type tested as per approved standards. The aluminium conductor system is round and smooth with all bolted connections covered with corona sleeves to prevent partial discharge.

The GIS housing is made of non-magnetic aluminium alloy having adequate mechanical strength and negligible eddy currents. The modular designed GIS has seal off bushings for each compartment and separate inspection holes. The GIS enclosure pipes have flanged joints fitted with O-rings. Flexible metallic sleeves are provided at appropriate locations to take care of thermal expansion and contraction. Instrumentation for alarm, trip and block is provided for fall in gas pressure. Salient parameters of circuit breaker, dis-connector, earth switch, CT, VT, SF6 to air bushing are indicated below.

3.1.6 Technical Data 400kV GIS

Switchgear general data:	
Switchgear type	8DQ1 Siemens
Rated voltage	420 kV
Rated power frequency withstand voltage	
- to earth	650 kV
- across the isolating distance	815 kV
Rated lightening impulse withstand voltage	
- to earth	1425 kV
- across the isolating distance	1425+240kV
Related switching impulse withstand voltage:	
- to earth	1050 kV

Switchgear general data:	
- across the isolating distance	900+345 kV
Permissible partial discharge intensity for cast resin at 1.2 x U kV √3	< 5 pC
Rated normal current:	
- For busbars	4000 A
- for branch diameter	3150 A
- for line feeders and transformer feeders	3150 A
Rated short-time withstand current, 1 second	40 kA
Rated peak withstands current	100 kA
Rated frequency	50Hz
Loss of gas per year and compartment	< 0.5%
Temperature rise of enclosures at rated current:	
- which have to be touched during normal operation	max.30K
- which need not be touched during normal operation	max.40K
- which are not accessible to the operator	max 65 K
Single Phase or Three Phase	1 ph encapsulated
Neutral Earthing	Solid
Circuit breaker:	
Type	Self compression SFG GIS circuit breaker
Class	C-2-M2
Operating mechanism	Spring-Spring stored-energy mechanism
No. of Pole	3 Poles
Single Phase or Three Phase	1 ph encapsulated
No. of breaker / Pole	1 No. / Pole
Rated normal current for line feeder	3150 A
Rated normal current for transformer feeder	3150 A
Rated short-time withstand current, 1 second	40 kA
Rated Short-circuit breaking current:	
Sym.	40 kA
Asym. (acc. to IEC)	59 kA
Auto reclosure	single phase / triple phase
Disconnector	
Rated normal current for line feeder	3150 A
Rated normal current for transformer feeder	3150 A
Rated short-time withstand current, 1 second	40 kA
Max. making capacity (capacitive current)	0.5 A
Max. Breaking capacity (capacitive	0.5 A

Switchgear general data:	
current)	
Earthing switch	
Type	3 Pole gang operated SFG GIS earthing switch
Related short-time withstand current,1 seconds	40 kA
Type of motor-drive	DC-motor
Free signalling contacts	7 No, 7 No, 1 No make early, 1 NC delayed
Current Transformer	
Type	SFG GIS CT
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Voltage Transformer	
Type	SFG GIS Inductive type VT
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Busbar	
Type	SFG gas, 1 ph encapsulated passive busbar
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Rated normal current	4000 A
SFG-Air Bushing	
Ambient temperature	-5 to +50 deg.C (outdoor)
Rated voltage	420 kV
Max. Operating voltage phase to earth	242 kV
Rated switching impulse withstand voltage	1050 kV
BIL (1,2/50 Ps) Rated lightening impulse withstand Voltage	1425 kV
Rated frequency	50 Hz
P.d. extinction voltage	>365 kV
P.d. intensity	<5 pC
Test voltage	650 kV
Rated current	4000A
Rated short time current	1sec 40 kA

Bushing Housing: Composite insulator made of filament winding tube with silicon sheds and aluminium flange. The volume of the bushing is connected to the gas vessel by means of adapting flange. Color of the silicon sheds ANSI 70 (light grey)

Current Conductor: Continuous conducting bolt made of aluminium.

3.1.7 220 kV Gas Insulated Switchgear (GIS)

The GIS uses sulphur hexafluoride as insulated medium. The main busbars are three phase encapsulated having 3000A thermal rating and short circuit rating of 40kA for 1 sec. The GIS is located in a building with overhead crane and having space for maintenance. The ICTs are connected with GIS tubing. The aluminium conductor system is round and smooth with all bolted connections covered with corona sleeves to prevent partial discharge. The GIS housing is made of non-magnetic aluminium alloy having adequate mechanical strength negligible eddy currents. The modular designed GIS has seal off bushings for each compartment and separate inspection holes. The GIS enclosure pipes have flanged joints fitted with O-rings. Flexible metallic sleeves are provided at appropriate locations to take care of thermal expansion and contraction. Instrumentation for alarm, trip and block is provided for fall in gas pressure. Salient parameters of circuit breaker, disconnector, earth switch, CT, VT, SF6 to air bushing are indicated below.

3.1.8 Technical Data 220 kV GIS

Switchgear general data	
Switchgear type	8DN9 Siemens
Rated voltage	245 kV
Rated power frequency withstand voltage	
- to earth	460 kV
- across the isolating distance	530 kV
Rated lightening impulse withstand voltage:	
- to earth	1050 kV
- across the isolating distance	1200 kV
Permissible partial discharge intensity for cast resin at 1.2 x U_N kV √3	< 5 pC
Rated normal current:	
For busbars	3000 A
for branch diameter	1600 A
Rated short-time withstand current, 1 second	40 kA
Rated peak withstands current	100 kA
Rated frequency	50 Hz
Loss of gas per year and compartment	< 0.5%
Temperature rise of enclosures at rated current:	
- which have to be touched during normal operation	max.30 K
- which need not be touched during normal operation	max.40 K
- which are not accessible to the operator	max. 65 K
Single Phase or Three Phase	
Busbar	3 phase encapsulated
Other modules	1 phase encapsulated
Neutral Earthing	Solid
Circuit breaker:	
Type	Self compression SFG GIS circuit breaker

Switchgear general data	
Class	C-2-M2
Operating mechanism	Spring-Spring stored-energy mechanism
No. of Poles	3 Poles
Single Phase or Three Phase	1 ph encapsulated
No. of breaker / Pole	1 No. / Pole
Rated normal current for line feeder	3000/1600A
Rated short-time withstand current, 1 second	40 kA
Auto reclosure	single phase / triple phase
Disconnector:	
Type	3 Pole gang operated SFG GIS disconnector
Rated normal current for line feeder	3000 A
Rated short-time withstand current, 1 second	40 kA
Max. making capacity (capacitive current)	0.5 A
Max. Breaking capacity (capacitive current)	0.5 A
Earthing switch:	
Type	3 Pole gang operated SFG GIS earthing switch
Related short-time withstand current,1 second	40 kA
Type of motor-drive	DC-motor
Free signalling contacts	7 No., 7 No., 1 No make early, 1 NC delayed
Current Transformer:	
Type	SFG GIS CT
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Voltage Transformer:	
Type	SFG GIS Inductive type VT
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Busbar:	
Type	SFG gas, 3 ph encapsulated passive busbar
Rated short-time withstand current, 1 second	40 kA
Rated peak withstand current	100 kA
Rated normal current	4000 A
SFG-Air Bushing	
Ambient temperature	-5 to +50 deg C (outdoor)
Rated voltage	245 kV
Max. Operating voltage phase to earth	142 kV
Rated power frequency withstand voltage	460 kV
BIL (1,2/50 Ps) Rated lightening impulse withstand Voltage	1050 kV
Rated frequency	50 Hz

Switchgear general data	
P.d. extinction voltage	>2777 kV
P.d. intensity	<5 pC
Rated current	3150A
Rated short time current	1sec 40 kA

Bushing Housing: Composite insulator made of filament winding tube with silicon sheds and aluminium flange. The volume of the bushing is connected to the gas vessel by means of adapting flange. Color of the silicon sheds ANSI 70 (light grey)

Current Conductor: Continuous conducting bolt made of aluminium.

3.1.9 Fixed Series Capacitance Banks

Components

Series Compensation consists of capacitor bank, Spark gap, Damping circuit, Metal Oxide Varistor, Current transformer, disconnectors, Bypass Circuit Breaker, Control and protection equipment. The capacitors conform to IEC-60143-1 and accessories to IEC 134-2 in general. Forced triggered type protective spark gap is also provided in the scheme, as overvoltage protector to the series capacitor Bank and the flash over voltage range shall be 2.0 to 2.4 p.u. The supervision of capacitor bank in each phase is performed by measurement of currents at different points. The control and protection equipment in Series Capacitor scheme are required for protection capacitor bank against internal and external faults, monitoring it continuously and taking logical decisions for operation of switching devices viz. Bypass breaker and Isolators. Design of the two Fixed Series Capacitor (FSC) banks at Kala Amb Substation installed in 400 kV D/C Karcham-Wangchoo-Kala-Amb transmission line is summarised below.

i. Metal Oxide Varistor (MOV)

A fixed series capacitor consists of capacitor bank and a metal oxide varistor (MOV) bank in parallel. MOV protects the capacitor against over-voltages during and after faults in the transmission system a by-pass switch and a triggered spark-gap allows fast bypassing of the series capacitor and MOV during severe internal faults. The bypass switch conducts the current for longer times.

ii. Bypass Damping Circuit

A bypass damping circuit is connected in series with the bypass devices and limits the current during capacitor discharge. It is made up of a reactor and damping resistor in parallel. To protect the resistor from continuous voltage stresses, and ancillary air gap is connected in series with the resistor.

iii. Data of Series Capacitors:

Rated reactance (%)	17.5
Degree of Compensation	40%
Rated Frequency	50 Hz
Rated current	3190 A

Rated 3 phase output	534.2 MW_
Rated capacitor voltage	55 kV
Overhead and swing current capabilities	
- for 8 h in a 12 h period. (1.1 pu)	3509 A
- for 30 min in a 6 h period (1.35 pu)	4307 A
- for 10 min in a 2 h period(1.5 pu)	4785 A
- swing current (10) (1.8 pu)	5742 A

iv. Power System Representation

The transmission system as defined in the Bidding Specification (1) and used for this report includes one double circuit transmission line between Kala-Amb and Karcham-Wanghoo substations. Equivalent impedances are used to represent the 400 kV system at the two substations.

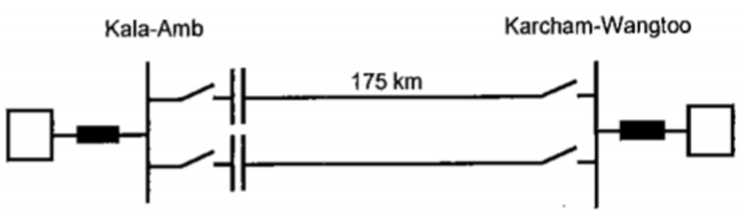


Figure 1 System Representation for Series Capacitor Design

The 400 kV system data used for the equipment/component design are as follows:

Rated system voltage	400 kV	
Maximum continuous operating voltage	420 kV	
Rated frequency	50 Hz	
Rated short circuit current	40 kA	
Lightening impulse withstand voltage	1425 kV	
Switching impulse withstand voltage	1050 kV	
Short time power frequency		
WET	610 kV	
DRY	610 kV	
Number of phases	3	
Neutral grounded	yes	
Line parameters (the length 175 KM)	positive sequence	zero sequence
Resistance	0.0265	0.263
Inductance	0.25	1.1326
Capacitance	3.69	2.17

v. Short circuit impedance

Kala Amb	24248 MVA

Karcham-Wangtoo	24248 MVA

vi. Power Flow and Overload Capability

The capacitor and system design is based on the rated, overhead and swing current as stipulated in the bid specification.

Line operating voltage	400 kV	
Rated current	3190 A	
Overload and swing current capabilities		
- for 8 h in a 12 h period.	1.1 pu	3509 A
-for 30 min in a 6 h period	1.35 pu	4307 A
-for 10 min in a 2 h period	1.5 pu	4785 A
-swing current (10)	1.8 pu	5742 A

vii. Series Capacitor Configuration

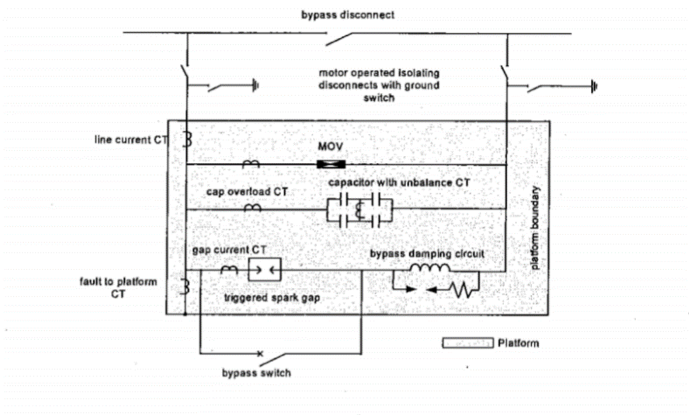


Figure 2 Main Components of a Series Capacitor Bank

3.1.10 Substation Support facilities

Support facilities required for operation and maintenance of substations have been provided.

i. For LT Supply at each new Substation, two (2) nos. 630 kVA LT Transformers shall be provided out of which has been connected with Discom supply and the other connected to tertiary of 400/220 kV transformer.
ii. 2 Nos. batteries of 220V for control and protection and 2 Nos. 48V batteries for PLCC/ Communication equipment provided at the substation. Each battery bank has a float-cum-boost charger. Battery is of VRLA type and adequate ampere-hour rating.
iii. Suitable AC and DC distribution boards and associated LT Switchgear has been provided.
iv. One no. 250 KVA DG set has been provided for emergency applications.
v. Sizing of Auxiliary system (like battery charger, LT switchgear) has been done considering future bay requirements to avoid replacement in future with higher sizes.
vi. Adequate space in the building has been considered for ACDB/ DCDB panels for future bays.

3.1.11 Protection and Control

i. General

The substation is provided with control, relaying and monitoring functions along with substation automation system based on IEC 61850 protocol using fibre optic network. The communication and tele-protection with adjacent connected substations is through digital protection coupler via SDH and OPGW communication.

The state of art protection system based on numerical technology has been provided to minimize the damage to equipment in the event of fault for Transformers, Reactors, Transmission lines and Bus bars. These protective relays are with self-diagnostic feature and conforming to latest IEC 61850 for communication purposes for communicating the detailed list of events recoded by these relays in the event of fault or any abnormal conditions. Normally all these relays are equipped with in built fault recorder which can record the analogue as well as digital information for analysis of fault.

The 400kV and 220kV protection philosophy and protective devices are similar but safety interlocks/ protection schemes vary according to busbar configurations.

ii. Auto Transformers and Reactors Protection

Auto transformers and reactors are provided with the following protections:

a. Differential protection
b. Restricted earth fault protection
c. Back-up impedance/ overcurrent, Earth fault protection

Besides these, transformers and reactors are also provided with Buchholz relay, protection against oil and winding temperatures and pressure relief device.

iii. Transmission Lines Protection

400 and 220 kV lines have MAIN-I protection have numerical distance protection scheme carrier as three zone distance type with carrier aided inter-tripping feature. All lines have MAIN-II protection which also has numerical distance protection scheme like Main-I but from different make that of MAIN-I. Distance Relay (Main-I and Main-II)

Lines are provided with two stages over voltage protection. Further, all lines are provided with single and three phase auto-reclosing facility to allow reclosing of circuit breakers in case of transient faults.

The lines are also provided with distance to fault locators to identify the location of fault on transmission lines.

iv. Bus bar Protection

The high-speed bus bar differential protection which is essential to minimize the damage and maintain system stability at the time of bus bar faults has been provided for 400 kV buses. Bus bar protection scheme operates selectively for each bus and incorporates necessary features required for ensuring security. The scheme has the provision for future expansion.

v. Local Breaker Back up Protection

This has been provided for circuit breakers and connected to de-energize the affected stuck breaker from both sides.

3.1.12 Phasor Measurement Units (PMU)

The substation is equipped with state-of-the-art phasor monitoring units. A phasor is a complex number that represents both the magnitude and phase angle of the sine waves found in electricity. Phasor measurements that occur at the same time over any distance are called "synchrophasors". Phasor measurement units are sampled from widely dispersed locations in the power system network, synchronized with the common time source (GPS) and communicated through optic fibre network to Phaser Data Concentrators (PDC) located at Load Dispatch Centres. Synchrophasor technology provides a smart tool for system operators and planners to measure the state of the electrical system (over many points). PMUs measure critical parameters. India has one of the largest synchrophaser network in the world. Its varied applications in real-time grid operation, identifying cause of grid disturbance at initial stage, condition monitoring of grid elements and data analytics have empowered the grid operators, facilitated secure grid operation as well as accurate and prompt analysis of grid disturbances.

3.1.13 Substation Automation System (SAS)

The distributed architecture has been used for Substation Automation system where the controls are provided through bay control unit and it complies as per IEC 61850. Bay control units are provided bay wise for voltage level 400 kV and 220 kV. All bay control units as well as protection units are connected through an optical fiber high speed network. The control and monitoring of substation elements such as circuit breaker, disconnector, resetting of relays etc. are being done from Human Machine Interface (HMI) from the control room. SAS is equipped with the facility of remote operation. By providing remote HMI and suitable communication link, the substation can be controlled from a remote location. The functions of control, annunciation, disturbance recording, event logging and measurement of electrical parameters has been integrated in Substation Automation System. The Automation System has been provided with the facility of communication and control for remote end operation.

3.1.14 Fire Protection System

Fire protection system inside the substation as per statuary requirement is provided. Considering criticality, High Velocity Water Spray based fire protection system is provided for all oil filled equipment (transformer and reactors). Sufficient capacity of water is stored in water storage tank to meet the requirement of firefighting. For pumping of this water from water tank, redundant pumps are provided in firefighting pump house building. The water lines are always kept pressurised with an automatic jokey pump.

3.2 Transmission Lines

3.2.1 General Description

PKATL awarded the following major contracts for construction of transmission lines:

Contracts	Agency
Tower Supply	M/s KEC International Ltd.
Conductor Supply	M/s. Gupta Power Infrastructure Ltd.
Insulator Supply	M/s. Goldstone Infratech Ltd
Tower Erection and Stringing	M/s KEC International Ltd.

The lattice steel towers have been designed as per IS: 802 for the relevant wind – zone 2/3 as applicable with adequate Reliability levels. Towers have been tested at tower testing stations in India. IS Steel section of tested quality of conformity with IS:2062 grade E250 and / or grade E350 are used in towers.

The tower parts, stubs and pack washers are hot dip galvanised with minimum overall zinc coating of 610 gm/m^2 except for plates and sections below 5 mm which have zinc coating of 460 gm/m^2 with average coating of 87 microns and 65 microns respectively. POWERGRID has provided its proprietary structural drawings, shop drawings and Bill of Materials of all type of standard transmission line towers and its extensions, special towers as required to the Contractor(s) after placement of award according to the project requirement.
Foundations are generally open cast with RCC
Composite Insulators with Specific creepage 31mm/kV have been used.

400kV D/C (Quad):

Double ‘I’ Insulator Strings with 120kN Composite Insulators in Suspension Towers and Quadruple Tension strings with 160kN Composite Insulators in Tension towers.

Minimum Ground Clearance:

For 400 kV lines: 8.84m required as per CEA safety standard.
Towers are complete with towers accessories such as Bird Guard, Danger Plate, Number Plate, Phase Plate, Anti-Climbing Device and Step Bolts; and Conductor and Earth Wire accessories like - Mid Span Compression Joint, Repair Sleeve, Bundle Spacer, Vibration Damper, Spacer Damper, Earth Wire Suspension Clamp, Earth Wire Tension Clamp etc.

3.2.2 Classification of Towers

Special multi-circuit tower (QD type) and double circuit towers (DD type) have been provided for the four 400 kV quad circuits- two for looping in and two for looping out of Kala Amb GIS substation over a very short distance. These towers have deviation limits of 30°- 60°. The line is suitable for satisfactory continuous operation under varying climatic conditions of the area.

3.2.3 Fasteners: Bolts, Nuts and Washers

All tower members are joined together with hexagonal bolts and nuts. All hexagonal bolts and nuts conform to IS-12427. They have hexagonal head and nuts, the heads being forged out of the solid, truly concentric, and square with the shank. All bolts and nuts are galvanized as per IS:1367 (Part-13)/IS:2629.

3.2.4 Step Bolts and Ladders

Each is tower is provided with step bolts conforming to IS:10238.

3.2.5 Clamps Attachments of Insulator Strings and Earth Wire

i. For the attachment of suspension Insulator String, a suitable sized swinging hanger on the tower is provided so as to obtain specified clearances under swinging condition of the strings. The hanger, extensions links and D-shackles, which are of same rating/strength as that of corresponding rating/ ultimate tensile strength of insulator string, are used in transmission line.

ii. At tension towers, strain plates of suitable dimensions under each cross-arm tip, are provided for taking the hooks or D-shackles of the tension insulator strings.

3.2.6 Galvanizing of Tower Parts

The tower parts, stubs and pack washers are hot dip galvanized as per requirements of IS 4759.

3.2.7 Conductors for 400 kV Transmission Lines

S.No.	Description	Conductor 400 kV D/C
1.	Type	ACSR 'MOOSE' conductor
2.	Stranding and wire diameter (mm)	
2.1	Aluminium / Al Alloy	54/3.53
2.2	Steel	7/3.53
3.	Conductor per phase	2/4
4.	Spacing between conductor of same phase (sub conductor spacing) (mm)	457 (Quad)
5.	Overall Diameter (mm)	31.77
6.	Unit mass (kg/km)	2004
7.	Min. Ultimate Tensile Strength (kN)	161

3.2.8 Earthing, Earthwire and OPGW Details

Earth Wire/OPGW is connected at the top of each tower to protect the transmission line from lightening. Each tower has been earthed with pipe or counterpoise earthing as per soil resistivity of that area. Appropriate type of earthing is adopted to ensure The tower footing resistance does not exceed 10 ohms

.S.No.	Description	Earthwire	OPGW
1.	Type	7/3.66mm GS Earthwire	Buffer loose tube (24-F i.e. 12 pairs) Aggregate 1.30 km
2.	Stranding and wire diameter (mm)	Galvanised Steel 7/3.66	As per drawing
3.	Overall Diameter (mm)	10.98	12.5
4.	Unit mass (kg/km)	583	460
5.	Min. Ultimate Tensile Strength (kN)	68.4	83.9

3.2.9 Technical Information for 400 kV Transmission Lines

S.No.	Description	Voltage Level	400 kV Line
1.	Nominal Voltage	kV	400
2.	Maximum system voltage	kV	420
3.	BIL (Impulse)	kV (Peak)	1550
4.	Power frequency withstand voltage (Wet)	kV (rms)	680
5.	Switching surge withstand voltage (Wet)	kV (rms)	1050
6.	Minimum Corona extinction voltage at 50 Hz AC system under dry condition	kV (rms) phase to earth	320(min)
7.	Radio interference voltage at one MHz for phase to earth voltage of 510 kV under dry condition.	micro Volts	1000 (max)

3.2.10 Insulator of 400 kV Transmission Lines

The insulators of the strings consist of composite long rod insulators for a three phase, 50 Hz, effectively earthed 400 kV AC transmission system application in a very heavily polluted environment. Couplings are ball and socket type. Composite Long Rod Insulators are proven to be effective for use under foggy/humid operating conditions in polluted industrial environment combined with smoke and dust particles. Insulators are tested as per IEC-61109 or as per IEC-62217.

The details of the Insulator Strings are as given below:

S.No.	Type of Insulator String	Size of Composite Insulator (Core dia x length) (mm)	Minimum Creepage Distance (mm) per unit	No. of Units per String (Nos.)	Electro-Mechanical Strength of Insulator Unit (kN)	Mech Strength Insulator String (kN)
	INSULATOR FOR 400kV D/C AC QUAD MOOSE CONDUCTOR					
1	Double 'I' Suspension	20 x 3335	13020	2x1	120	240
2	Single Suspension Pilot	20 x 3335	13020	1x1	120	120
3	Quad Tension	24 x 3910	13020	4x1	160	640

3.2.11 Spacer Damper and Rigid Spacer for Moose Conductors

The spacer dampers are designed to maintain the bundle spacing of 457 mm under all normal operating conditions and to effectively control Aeolian vibrations as well as sub-span oscillations, and to restore conductor spacing after release of any external extraordinary load. The tolerance limit for nominal sub-conductor spacing shall be maintained within ±5 mm.

The spacer dampers restore the normal sub-conductor spacing due to displacement by wind, electromagnetic and electrostatic forces, including the specified short circuit loading without permanent deformation or damage either to bundle conductors or to the spacer damper itself.

The clamping system has been designed to compensate for any reduction of conductor diameter due to creep.

The spacer damper assembly is capable of being installed and removed from the energized line by means of hot line techniques.

The sub-spans vary from 40m to 70m. The staggering scheme is such that the spacer dampers are unequally distributed along the span in order to achieve sufficient detuning of adjacent sub-spans during oscillations of sub-span mode as well as to ensure bundle stability for wind speeds up to 60 km/hr.

4. Communication System

As per Indian Electricity Grid Code (IEGC), agency establishing sub-stations/generating stations has to provide real time data and voice from their stations to RLDC for efficient grid management. In consideration of the same, transmission lines constructed by PKATL are provided with 24-F (24 Fibre) OPGW in place of one earth wire. OPGW serves dual purpose i.e. Grounding wire as well as Fiber Optic Communication Cable. Presently six(6) fibers out of 24 fibers of OPGW are used to establish communication connectivity with CTU Communication network for providing access up to RLDC.

5. Environment and Safety

5.1 Environment

5.1.1 Transmission projects are considered by and large environmentally benign that don't involve disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil. No specific environmental clearances are required for construction or operation of transmission projects. Forest clearance under Forest (Conservation) Act, 1980 from Ministry of Environment Forests and Climate Change (MoEFCC) is a mandatory requirement wherever transmission line involves forest area. Accordingly, forest clearance has been obtained for LILO of Karcham Wangtoo - Abdullapur 400 kV D/C line involving 4.094 hectare forest area in Himachal Pradesh.

5.1.2 Due care has been taken to prevent/mitigate community environmental aspects such as EMF exposure,, electrical shock and fire hazards, contamination of environmental receptors, noise level etc. These aspects are integral part of design based on international standards. In order to dispel the EMF effect, studies have been carried out with the help of PTI, USA and CPRI, Bangalore. POWERGRID designs used by PKATL follow the required international standards.

5.1.3 Adoption of measures such as provision of oil pits and sumps, responsible disposal of used transformer oil, electronic wastes as per applicable regulations and prevention of leakage of SF6 gas through regular monitoring using sophisticated instruments and inventory control has resulted in compliance with the regulatory framework. Moreover, during replacement, SF6 gas is not released in the atmosphere but pumped into cylinders and returned to OEM.

5.2 Safety

5.2.1 Standard procedures for safety are followed during construction, testing, operation and maintenance. Tower earthing, earth wire is provided for protection of transmission lines and substations against lightening. Strict, safety procedures for isolation and permission to work protocols are in place.

5.2.2 It is mandatory for contractors to sign a "Safety Pact" before award of contract. Further, all health and safety issues and its management aspects are made integral part of project including implementation of contract specific "Safety Plan". Preventive measures like use of personal protective equipment such as safety belts, helmets, shoes, gloves etc. are followed to avoid accidents in its work areas. Such measures include promoting mechanization for better and safe working conditions at the sites, contractual provisions like disqualification from future bidding, signing of safety pact, provision of penalties, payment of additional compensation to the legal heirs of the victims over and above the compensation, daily safety briefings, mock drills and safety related trainings.

5.2.3 The substation safety grounding mat has been designed as per IEEE 80 for fault level of 50 kA for 1 second as per soil characteristics to keep the touch and step potential within permissible safety limits.

5.2.4 POWERGRID has been maintaining systems and procedures aligned with integrated management system comprising of quality, environmental and occupational health and safety management systems. Currently, it is in compliance of ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and OHSAS 45001:2018 for Occupational Health and Safety Management System.

6. Quality Control

In order to ensure compliance to design parameters, equipment were type tested as per relevant Indian and International Standards like IEC/BIS. The contractor furnished the reports for type tests as per technical specification during execution stage. These type tests are conducted in accredited laboratory (accredited based on ISO/IEC Guide 25/17025 or EN45001 by the national accreditation body of the country where laboratory is located) or witnessed by POWERGRID. From above, it is inferred that all the equipment /structures meet relevant standards.

Field Quality Assurance Department of POWERGRID has ensured field quality during construction. POWERGRID has internal systems and procedures for checking/ auditing the construction works. Field Quality Assurance Department at Corporate Centre has Standard Field Quality Plans (SFQP) for substations and transmission lines, standard formats and guidelines. The field quality plan covers all aspects during construction and erection of transmission lines and substations. This is a detailed document covering checks at various stages during project execution. This SFQP was an integral part of contract agreement. Field Quality Assurance executives made regular visits to the project site in line with the inspection calendar and ensured adherence to quality check procedures.

7. Operation and Maintenance

7.1 Philosophy

The O&M of the transmission lines and substation, since their commissioning, has been carried out by POWERGRID as part of a consultancy services agreement entered between PKATL and POWERGRID for undertaking various post COD activities of the Company including Operation and Maintenance of transmission lines and substation. The current agreement is valid with effect from 01.04.2020.

POWERGRID, on behalf of PKATL, has been carrying out regular maintenance of the substation and transmission lines with defined periodicity and maintenance schedules.

The objective of operation and maintenance activities is to:

- carry out preventive maintenance so as to maximize the life of the assets
- minimize downtime of substation elements/ transmission line for maintenance purpose
- achieve system availability as specified in the TSA at economic cost

7.2 O&M Organization setup

A general O&M set up for project including substation and transmission line includes an in-charge with engineers for substation operation, substation maintenance and transmission line maintenance with respective teams of junior engineer, technicians and fitters and other related manpower. The team composition is flexible and is augmented/ strengthened based on requirements.

7.3 Operation

For day-to-day activities, the operation of the substation is carried out from the local control room. Round the clock operation duty is performed in three shifts, with two persons in each shift. The main function of the operation staff is to carry out the following:

i. Operation of the equipment as per the instruction of RLDC (POSOCO)
ii. Restoration of the system in case of tripping in consultation with the maintenance staffs after analysing the fault
iii. Monitoring the system parameters and alarms, informing the maintenance staffs in case of any abnormality

The SCADA system installed in these stations are so designed that in case of requirement, these stations can be operated from remote. Further, in case of requirement also, the tripping details like events and disturbance records can be extracted from remote and can be analysed.

7.4 Procedure for O&M of transmission lines

Standard procedures, generally related to O&M of transmission lines, are being followed, which include general safety precautions to be followed during O&M activities of transmission lines; procedure and working instructions about action to be taken during fault/ tripping of transmission lines like co-ordination with the terminating stations for shutdown/ charging; maintenance schedule and procedures. The procedures generally include various formats to be filled during transmission line maintenance.

7.5 Maintenance of Transmission lines

Routine and preventive maintenance of transmission lines is being carried out as per defined/ standard schedules for transmission lines; and best practices in O&M such as regular patrolling of lines, periodic removal of vegetation, thermo-vision scanning, on-line insulator puncture detection etc. have been adopted. Trained in-house manpower/ hired manpower on contract basis has been identified to swiftly attend any unforeseen eventualities/ natural calamities.

7.5.1 Patrolling

The patrolling as generally followed is indicated below:

Type of patrolling	Schedule
Ground Patrolling-400 kV Lines	Six Monthly
Ground Patrolling-765 kV Lines	Four Monthly
Ground Patrolling- Critical locations	Three Monthly
Emergency patrolling	Immediate

7.5.2 Routine Maintenance of Lines

The activities which are part of routine maintenance are described below:

i. Routine ground patrolling includes inspection of structural and conductor components. The main purpose of inspection is identification of defects in lower as well as upper body of tower including insulators, jumper, hardware fittings, corona ring, grading ring, etc. Follow up maintenance activities are scheduled based on the criticality of identified defects.

ii. 100% of transmission line towers and spans are being checked by concerned technician/ junior engineer once in a patrolling cycle. At least 10% of towers of transmission lines are checked by concerned line engineer in a calendar year. At least five (5) towers are inspected by the concerned Line In-charge every month.

iii. Tower top patrolling of the lines are carried out in case of repeated tripping/ auto-reclosures to find untraceable faults during ground patrolling. Tower top patrolling is being carried out by maintenance team in live line conditions.

iv. In case of tripping of the line, emergency patrolling of few towers on both side of fault location is carried out using required testing kit. In case of permanent faults, offline fault locators are utilized by substation maintenance engineer to correlate with online fault location.

7.5.3 Emergency Procedures

i. In case of any tripping/ auto-reclosure of the line on account of line faults, the terminating station control room informs the line incharge about the incident with details of tripping including fault locator reading. Maintenance team visits the affected location/ site immediately. Based on nature of problem, the restoration work is taken up and if required, support of third party is also taken.

ii. POWERGRID maintains a region wise centralised emergency restoration system (ERS) with light weight towers and erection team. In case of tower collapse, POWERGRID, depending on availability, can provide the ERS on temporary and chargeable basis, so that the system can be restored at the earliest.

7.6 Procedure for O&M of Substation

With the purpose to ensure reliable and safe operation of switchyard equipment, maintenance schedule for substation equipment finalised in advance; and standard procedures, generally related to O&M of substation like power supply checks, permissive checks, charging procedures, general safety precautions, shutdown procedures, working instructions for operating procedure of the substation equipment, isolation procedure of equipment during maintenance, action to be taken during fault/ tripping of any equipment/ transmission lines and gas leakage etc. are being followed. The procedures generally include various formats to be filled during substation maintenance.

7.7 Maintenance of Substation

Preventive checking and maintenance of asset is being carried out for following equipment:

i. Transformers
ii. Reactors
iii. Circuit breakers
iv. Instrument transformers like CT and CVT
v. Surge Arrestor
vi. Isolators
vii. Auxiliary system like DCDB, LT panels, DG set, etc.
viii. Firefighting system
ix. Battery system

Preventive checking and maintenance activities are performed on regular basis as defined in O&M manual (daily, weekly, monthly, and yearly). The activities include corrective actions to be taken in case of violation of limits during the testing of equipment

Different type of test like DGA, capacitance and tan delta, DCRM, timing measurement, etc. are performed on regular basis to check the healthiness of equipment. Experienced manpower, in-house/ hired on contract basis, has been identified for operation and maintenance of Substations.

7.7.1 Detailed Investigation

Based on condition monitoring test results, the problems can be identified and rectified in the incipient stage and the failure of the equipment is avoided. In case of violation in test results, some specialized tests are carried out and if required, the support of manufacturer is also taken on case to case basis.

7.7.2 Protection Audit

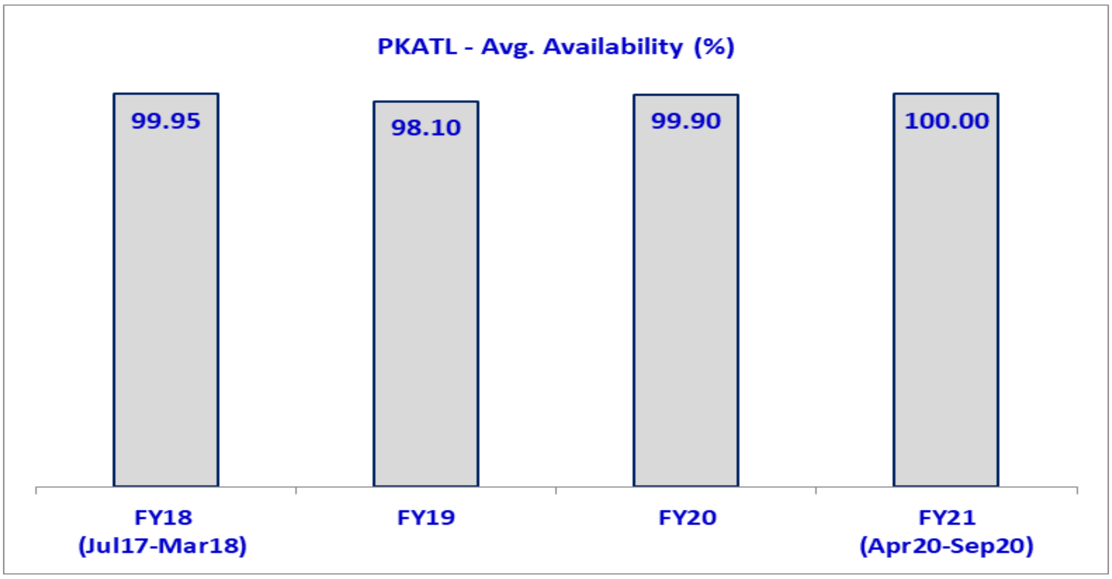
Third party protection audit is done periodically at every substation to check implementation of standard protection scheme and relay settings as per standard guidelines

8. Availability of PKATL

8.1 Calculation of availability of the projects acquired through TBCB mechanism is carried out as stipulated in the respective TSA. The outage data of the company is submitted to respective RLDC(s) for checking. Based on the certified outages by RLDC(s), the RPC(s) issues the availability certificates.

8.2 As per TSA, the target availability for the project is 98%. The company is entitled to receive incentive/ required to pay penalty based on the annual transmission system availability.

8.3 The average availability since commercial operation of the project, including for the period Apr-20 to Sep-20 is given in chart below.



8.4 During the year 2019-20, the average availability was 99.90%. Month-wise availability since commercial operation of the project is given at Annexure-II.

8.5 The modalities for the calculation of incentive/ penalty are as under:

i. In case transmission system availability (in percentage points), as per the TSA, is 98%, the company gets full transmission charges as per the TSA.
ii. In case availability is less than 98%, the transmission charges are reduced proportionally.
iii. In case, availability in a contract year exceeds 98%, the company is eligible for receiving annual incentive subject to maximum availability of 99.75% which is calculated as below:
    a. *Incentive= 0.02 x Annual tariff x (Actual annual availability – Target availability)*
iv. Penalty is imposed in case system availability in a contract year is less than 95%. The annual penalty is calculated as:
    a. *Penalty = 0.02 x Annual tariff x (Target availability – Actual annual availability)*

9. Spare Parts Management

The initial spares procured by PKATL are handed over to POWERGRID for maintenance. These initial spares are well maintained in stores as per POWERGRID procedures and condition monitoring of the same is carried out periodically. In case of consumption/ shortage, either the company replenishes the consumed spares to POWERGRID or POWERGRID takes procurement action for replacement spares at the cost of the Company. Further, in case there is a problem in restoration of the system due to non-availability of spares, the availability of the same can be checked with other companies and can be taken on replenishment basis.

All mandatory sparts are kept in stock. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

10. Physical Security of Assets

i. The Substations is provided with boundary-wall with single entry point. Security guards are deployed at the main gate and at different strategic locations for surveillance.
ii. Transmission line is near to substation and no exclusive security is deployed. However, patrolling of the transmission line is scheduled in such a way that every tower of the line is checked at least two times in a year for 400 kV lines. In case of any theft in transmission line, the issue is taken-up with local authorities.

11. Cyber Security

Cyber threats to critical assets under operation due to use of Information Technology (IT) are well recognised. The company has put in place appropriate controls to minimise cyber risks to its operating assets.

11.1 Management Practices

The cyber security issues related to design, engineering, procurement, construction of transmission systems; Operation & Maintenance activities for transmission systems, SCADA, Automation, and Communication Systems are in compliance to the requirements of construction standards by CEA, Indian Electricity Grid Code, 2010 and framework specified under Information Technology Act, 2000. POWERGRID continuously maintains liaison with NCIIPC and CERT-IN, the statutory bodies established under Information Technology Act, 2000, with regard to specific cybersecurity threat inputs and expert guidance which are shared with all the transmission utilities.

11.2 Hierarchical Separation

The company uses best practices to ensure hierarchical separation between networks. Networks catering to core devices within substation environment are kept physically isolated from other office networks. All critical /IEDs within substation premises are kept in physically locked panel racks. Further, physical access to areas such as Control Rooms are restricted to authorised personnel through biometric/ card-based entry. USB based devices and data dongles on devices within the SAS network are disabled.

11.3 Traffic Confinement

Network Traffic from within SAS network is kept confined to within substation itself through properly implemented IP Subnets and routing with firewalls.

11.4 Role Based Access Control

Use of Engineering PC, Servers and HMIs is restricted to authorised operators with well-defined and implemented Role Based Access Control (RBAC) mechanisms. The identified operators are sensitised and trained to manage cybersecurity risks.

11.5 Audit Checks

Protection Relays and their configuration settings are routinely verified through specific audit checks. Company maintains appropriate liaison with OEMs and their personnel for ensuring security and integrity of various sub-systems including software.

12. Risk Analysis

12.1 Operating risk

The operating risk due to fault, earth quake, short circuit, falling or touching of trees, lightning strike, travelling wave, corona discharge, wind storm, rain, hail storm, cyclone, flood, over loading, single phase tripping, sitting of birds, grid separation, over and under voltage are part of business as usual scenario for a transmission service provider. The design, compliance with technical standards, quality plan, inspection and testing adequately covers the operating risk which is evident from the availability since commissioning of the project. Sound operation and maintenance practices, adequate qualified/ skilled manpower, preventive maintenance, diagnostic testing, protection audits, healthy work culture, good T&P would ensure reliable operation of the scheme for decades to come. All mandatory spares are kept in stock and spare management ensures timely availability of required spares.

12.2 Availability of Spare Parts

The initial spares procured by the Company are handed over to POWERGRID for necessary maintenance to maintain required availability and reliability of the system. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

12.3 Cyber Security Risk

i. The possibility of an embedded hardware trojan flow, if any/ malicious traffic/loss of software data integrity in transit are perceived as threats and addressed with best practiced control methods

ii. Manpower at the substation has received preliminary training and sensitisation for management of cyber security risks. In view of features implemented as part of design, it can be stated with reasonable confidence that the assets at these stations are well secured and any operational risk due to cyber-attack is minimal due to isolation mechanisms in place.

12.4Risk of Tower Failure

As a disaster management system, POWERGRID is having Emergency Restoration System (ERS) in different regions at strategic locations for 400kV system. POWERGRID is also having trained manpower for erection of ERS system, at the shortest interval of time. In case of requirement and depending upon the availability with POWERGRID, the ERS towers can be arranged, on chargeable basis, for timely restoration of the line.

13. Regulatory Aspects

13.1 Extension of License

As per Section 15 of the Electricity Act:
'(8) A licence shall continue to be in force for a period of twenty- five years unless such licence is revoked'.

These 25 years are counted from the date of grant of license that includes construction period as well. However, the tenure of Transmission Service Agreement to operate the assets is for 35 years from the date of commercial operation. Therefore, to cover the gap it has been specifically provided in the license that, *'since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law.*
Regulation 13(2) of the CERC Transmission License Regulations states,

' (2) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence: Provided that when the licensee does not make an application for grant of licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life'.

As a general practice observed in the industry and considering the performance of the company since DOCO, there is no risk of non-extension of license after initial period 25 years.

13.2 Revocation of License

The reasons and process of revocation of license is clearly specified in Section 19 of the Electricity Act as follows:

Section 19.

(1) *If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:*

a) *Where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;*

b) *Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;*

c) *Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –*

   i. *To show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or*
   ii. *To make the deposit or furnish the security, or pay the fees or other charges required by his licence;*

d) *Where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.*

(2) *Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.*

(3) *No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.*

(4) *The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.*

(5) *Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.*

(6) *Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by that Commission for grant of licence'.*

In view of above, it is most likely that license of the Company shall be extended in accordance with law.

13.3 Operation of Assets beyond TSA period

As per the RfP document and CERC order granting transmission license, the assets have been created by the Company on Build, Own, Operate and Maintain (BOOM) basis. The substation land as well as Right of Way (not ownership but limited to related construction and O&M activities) and other statutory approvals belong to the Company.

Though the Transmission License is granted for a period of 25 years initially, it can be extended as per various provisions of TSA and CERC Regulations.

The transmission lines are designed to provide a service life of more than 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years, the useful life can be extended even beyond 50 years, by carrying out required renovation works. The transmission lines associated with hydro projects may well be required beyond 50 years depending on evolution of the grid. If there is a grid, the 765 kV and 400 kV lines are indispensable. The right of way is always valuable and even after 50 years lines are usually refurbished, sometimes the voltage is stepped up, sometimes, multi-circuit patches are added.

The substation equipment is designed to provide a service life of 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years. However, the useful life can be extended beyond 35 years by carrying out required renovation works. The first 400 kV line built in early 1970s is still in service. Further, many assets of POWERGRID which have completed 30 years and more have been performing well in terms of availability.

As per the CERC tariff regulation 2019-24, for the purposes of depreciation, the life of substation equipment is 25 years and that of transmission line is 35 years. Generally, the life of the equipment used is more than that. However, some equipment are replaced after useful life due to followings reasons for life extension of the projects.

i. Change in fault level
ii. Obsolescence of technology.
iii. Uneconomical to keep the equipment in service.

In view of above analysis, technical life of substation equipment can be extended to more than 35 years subject to proper maintenance like overhauling of CB, gasket replacement in transformer, etc. The technical life of transmission line can be considered up to 50 years.

In regard to the life of asset beyond the tariff period, the TSA provides for the following:

2.2.1 Subject to Article 2.2.2 and Article 2.4, this agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.

The extant provisions of regulation 13(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulation, 2009 in this regard provide that if the transmission licensee (i.e. PKATL in this case) decides to undertake renovation and 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.

Presently, procedures in this regard are yet to be notified by CERC.

14. Insurance

PKATL has taken the insurance policy for its assets with effect from 01.11.2020. Prior to that the risk was covered by creating a self insurance reserve in the books of accounts.

15. Conclusion

15.1 The project was planned as Northern Region System Strengthening Scheme catering to the load requirement of Kala Amb/ Poanta/ Giri area in Himachal Pradesh. The project comprises of one transmission line, one GIS substation and Fixed Series Compensation on the transmission line.

The project has been successfully charged and declared under commercial operation as per details below:

Transmission lines/ Substations	**Line length (ckm)/ Transformation Capacity (MVA)**	**DOCO**
Establishment of a 7 x 105 MVA (1- ph.), 400/220 kV GIS Substation at Kala Amb.	630 MVA	12.07.2017
LILO of both circuits of Karcham Wangtoo-Abdullapur 400 kV D/C (Quad Moose) line at Kala Amb (on M/C towers).	2.466 ckm	12.07.2017
40% Fixed Series Compensation on 400 kV Karcham Wangtoo-Kala Amb quad D/C line at Kala Amb ends	-	12.07.2017

The COD of the Project is 12.07.2017.

15.2 The Company has obtained all necessary statutory clearances like, approval under Section 68 of the Electricity Act, Authorization under Section 164 of the Electricity Act, Grant of Transmission License by CERC, Route approval by PTCC, Electrical Safety Clearance of CEA for construction, commissioning and operation of the assets at its rated voltage.

15.3 The Company entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The system has been constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per its standard procedures and protocols.

15.4 The Company has entered into the agreement with POWERGRID for operation and maintenance of the substation along with the associated transmission lines and other post COD activities.

15.5 Mandatory spares for substations and transmission lines are maintained by PKATL and handed over to POWERGRID. In case of consumption of spares, the same are being replenished by PKATL or being procured by POWERGRID at the cost of PKATL. Also, in case of requirement, PKATL can request POWERGRID for ERS towers and depending on availability, it can be provided on chargeable basis.

15.6 Standard procedures for safety are followed during construction, testing, operation and maintenance to avoid any untoward incident.

15.7 The availability of PKATL has been reviewed and it has been observed that year-wise average availability of PKATL since commissioning of the project is more than 98.00%. During FY21, the average availability for Apr-20 to Sep-20 has been 100%. As per TSA, the target availability for claiming full transmission charges is 98% and maximum permissible limit for availing annual incentive is 99.75%.

15.8 As per TSA, the life of the project is required to be 35 years. However, with proper maintenance, necessary retrofitting/ over hauling the life of project can be extended upto 50 years.

Prepared by:

RAVINDER
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB
147, Bhagirathi Apartments,
Plot No. 13/1, Sector – 9, Rohini,
New Delhi – 110 085

...

Annexure-I

SUMMARY OF APPROVALS AND LICENCES

POWERGRID KALA AMB TRANSMISSION LIMITED

S No.	Approvals	Date of Issue	Authority
1	**Company Registration**	**29-07-2013**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**04-09-2014**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
3(1)	4.094 ha within jurisdiction of Nahan Forest Division (H.P.)	21-12-2016	GOI-Ministry of Environment, Forests and Climate Change
4	**Approval under Section 68 of Electricity Act,2003**	**16-09-2013**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**27-04-2016**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power and Telecommunication coordination committee clearance**		
8(1)	400 kV D/C Karcham Wangtoo-Abdullapur TL (LILO)	02-05-2017	PTCC - Government of India
9	**Railway Crossing**	**Not Required**	
10	**Road Crossing**	**Not Required**	
11	**River Crossing**	**Not Required**	
12	**Powerline Crossing**	**Not Required**	
13	**Aviation Clearance - NOC for Transmission line**	**09-05-2016**	**Airports Authority of India**
14	**Defence Clearance- NOC from aviation angle for construction**		
14(1)	400 kV D/C Karcham Wangtoo-Abdullapur Line	17-10-2016	Ministry of Defence
15	**Transmission service agreements**	**02-01-2014**	

S No.	Approvals	Date of Issue	Authority
16	Approval for adoption of Tariff (35 years)	22-08-2014	Central Electricity Regulatory Commission

Annexure-II

POWERGRID KALA AMB TRANSMISSION LIMITED (PKATL)														
COD of the Project: 12.07.2017														
FY18	**Month**				**Jul-17**	**Aug-17**	**Sep-17**	**Oct-17**	**Nov-17**	**Dec-17**	**Jan-18**	**Feb-18**	**Mar-18**	**Avg**
	Availability				Deemed Target Availability					99.82	99.97	100.00	100.00	99.95
FY19	**Month**	**Apr-18**	**May-18**	**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Avg**
	Availability	98.84	100.00	100.00	100.00	99.98	100.00	99.98	99.74	100.00	84.05	95.11	99.46	98.10
FY20	**Month**	**Apr-19**	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Avg**
	Availability	99.40	99.95	100.00	100.00	100.00	100.00	99.95	100.00	100.00	100.00	99.64	99.84	99.90
FY21	**Month**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**							**Avg**
	Availability	100.00	100.00	100.00	100.00	100.00	100.00							100.00

Technical Due Diligence Report

POWERGRID WARORA TRANSMISSION LIMITED (PWTL)

2x1500 MVA, 765/400kV Warora Substation

Ravinder
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB

November 2020

Contents

Abbreviations/ Acronyms

S.No.	Abbreviation/Acrony	Description
1.	AC	Alternating Current
2.	ACDB	Alternating Current Distribution Board
3.	ACSR	Aluminium conductor steel-reinforced
4.	ADB	Asian Development Bank
5.	BIL	Basic Insulation Level
6.	BIS	Bureau of Indian Standards
7.	BOOM	Build Own Operate and Maintain
8.	BPC	Bid Process Coordinator
9.	CB	Circuit Breaker
10.	CEA	Central Electricity Authority
11.	CERC	Central Electricity Regulatory Commission
12.	CERT-IN	Computer Emergency Response Tram- India
13.	Ckt	Circuit
14.	cm	centimetre
15.	COD	Commercial Operation Date
16.	CPRI	Central Power Research Institute
17.	CT	Current Transformer
18.	CTU	Central Transmission Utility
19.	CVT	Capacitive Voltage Transformers
20.	D/C	Double Circuit
21.	DA type of Tower	Double Circuit A Type Tower
22.	DB type of Tower	Double Circuit B Type Tower
23.	DC type of Tower	Double Circuit C Type Tower
24.	DC	Direct Current
25.	DCDB	Direct Current Distribution Board
26.	DD type of Tower	Double Circuit D Type Tower
27.	DG Set	Diesel Generator Set
28.	DISCOM	Distribution Company
29.	DOCO	Date of Commercial Operation
30.	DTPC	Digital Tele Protection Coupler
31.	EMF	Electro Magnetic Field
32.	ERS	Emergency Restoration System
33.	FY	Financial year
34.	gm	gram
35.	GoI	Government of India
36.	GPS	Global Positioning System
37.	GS	Galvanized Steel
38.	HMI	Human Machine Interface
39.	Hz	hertz
40.	ICT	Inter Connecting Transformer
41.	IEC	International Electrotechnical Commission

S.No.	Abbreviation/Acrony	Description
42.	IEDs	Intelligent Electronic Devices
43.	IEEE	Institute of Electrical and Electronics Engineers
44.	IEGC	Indian Electricity Grid Code
45.	InvIT	Infrastructure Investment Trust
46.	IS	Indian Standards
47.	ISO	International Organization for Standardization
48.	ISTS	Inter State Transmission System
49.	IT	Information Technology
50.	kA	kilo Ampere
51.	kg	kilogram
52.	km	kilometre
53.	km/hr	kilometre per hour
54.	kN	kilo Newton
55.	kV	kilo Volt
56.	kVA	kilo Volt Ampere
57.	kVp	kilo Volt Peak
58.	LILO	Loop-In-Loop-Out
59.	LT	Low Tension
60.	m	meter
61.	m^2	square meter
62.	m/sec	metres per second
63.	Max	Maximum
64.	MHz	megahertz
65.	min	Minimum
66.	mm	millimeter
67.	ms	millisecond
68.	MVA	Mega Volt Ampere
69.	MVAR	Mega Volt Ampere Reactive
70.	NCIIPC	National Critical Information Infrastructure Protection Centre
71.	NTPC	NTPC Limited
72.	O&M	Operation and Maintenance
73.	OEM	Original Equipment Manufacturer
74.	OPGW	Optical Ground Wire
75.	p.u	per unit
76.	PDC	Phasor Data Concentrators
77.	pF	picofarad
78.	PG	POWERGRID
79.	PLCC	Power Line Carrier Communication
80.	PMU	Phasor Measurement Unit
81.	POSOCO	Power System Operation Corporation Limited
82.	POWERGRID	Power Grid Corporation of India Limited
83.	PTCC	Power and Telecommunication Coordination Committee
84.	PWTL	POWERGRID Warora Transmission Limited

S.No.	Abbreviation/Acrony	Description
85.	RBAC	Role Based Access Control
86.	RCC	Reinforced Cement Concrete
87.	RECTPCL	REC Transmission Projects Company Limited
88.	RfP	Request for Proposal
89.	RLDC	Regional Load Dispatch Centre
90.	rms	Root Mean Square
91.	RPC	Regional Power Committee
92.	S/C	Single Circuit
93.	S/S	Substation
94.	SA	Surge Arresters
95.	SAS	Sub Station Automation System
96.	SCADA	Supervisory Control and Data Acquisition
97.	SDH	Synchronous Digital Hierarchy
98.	SF6	Sulphur Hexa Fluoride
99.	SFQP	Standard Field Quality Plan
100.	SOP	Standard Operating Procedure
101.	SPV	Special Purpose Vehicle
102.	STPS	Super Thermal Power Station
103.	T&P	Tools and Plants
104.	TBCB	Tariff Base Competitive Bidding
105.	TSP	Transmission Service Provider
106.	VRLA Battery	Valve Regulated Lead Acid Battery

POWERGRID WARORA TRANSMISSION LIMITED (PWTL)

Technical due Diligence Report

EXECUTIVE SUMMARY

Background

POWERGRID Warora Transmission Limited ('Project Company'/'Company'/'Project') is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID).PWTL, set up as a SPV for development of transmission scheme, '*Transmission System Associated with Gadarwara STPS (2*800 MW) of NTPC (Part-A)*' was acquired by POWERGRID under TBCB mechanism on build, own, operate and maintain (BOOM) basis.

POWERGRID is India's Central Transmission Utility and the largest power transmission utility in the country. It is also one of the largest transmission utilities of the world. Including PWTL, it presently owns 19 wholly owned subsidiaries acquired under TBCB mechanism. Each of these subsidiaries was set up as a SPV for executing a specific transmission project and was acquired by POWERGRID under the TBCB mechanism. Out of the total 19 subsidiaries, eight are operational and balance eleven are under construction phase.

Mr. Ravinder has been appointed as Independent Engineer (IE) by POWERGRID Unchahar Transmission Limited, a wholly owned subsidiary of POWERGRID, for Technical Due Diligence of the above transmission Project.

Project Description

The Transmission System Strengthening was planned for the evacuation and supply of power from the Gadarwara STPS, of NTPC, to the beneficiaries of the generation project facilitating immediate evacuation as well as supply of power to its beneficiaries with reliability and security. The project includes Gadarwara STPS – Jabalpur Pool 765 kV D/C line, Gadarwara STPS – Warora Pool-Parli-Solapur 765 kV D/C line and was split into two parts viz. Part A and Part B. The instant project pertains to Part A.

Ministry of Power, Government of India has notified REC Transmission Projects Company Limited (RECTPCL) to be the Bid Process Coordinator (BPC), who invited bids for selection of Transmission Service Provider (TSP) based on 'Tariff Based Competitive Bidding Guidelines for Transmission Services'. POWERGRID was selected as TSP for executing the Scheme 'Transmission System associated with Gadarwara STPS (2x800 MW) of NTPC Part-A' consisting of 765 kV substation and 765 and 400 kV transmission lines. Project was executed by the SPV, POWERGRID Warora Transmission Limited (PWTL).

The Transmission System executed by the SPV consists of:

a) 765 kV D/C Gadarwara STPS – Jabalpur Pool line.
b) 765 kV D/C Gadarwara STPS – New Pooling Station near Warora line

c) LILO of both circuits of 400 kV D/C Wardha – Parli (PG) Quad line at Pooling Station (Near Warora) (2 x D/C)
d) Establishment of 2x1500 MVA, 765/400 kV New Pooling Station near Warora.

The Transmission Service Agreement (TSA) was signed between seven Long Term Transmission Customers (LTTCs) and Gadarwara (A) Transco Limited (erstwhile name of POWERGRID Warora Transmission Limited), MP Power Management Company Limited being the Lead Long Term Transmission Customer. According to the TSA, the scheduled COD of the project was November, 2017, which has been revised by the LTTCs to 10.07.2018.

PWTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The Project was implemented through multiple supply and erection contracts with various agencies which mainly included supply contracts for substation equipment, tower, conductor and insulator and contracts for substation civil works, tower erection and stringing.

The Sub Station and Transmission Lines have been designed as per relevant IS/IEC Standards. Further, the erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per its standard procedures and protocol.

The date of grant of approval from CEA for the elements and date of commercial operation after successful trial operation are as follows:

S. No.	Element	CEA Energization Approval	DOCO
1	765 kV D/C Gadarwara STPS- Jabalpur Pool line	CEI/3/EI/RIO(W)/INSP/2017/1169 dt.24.05.2017	31.05.2017
2	765 kV D/C Gadarwara STPS-New Pooling Station near Warora line	CEI/3/EI/RIO(W)/INSP/2018/913 dt. 22.06.2018	10.07.2018
3	LILO of both circuits of 400 kV D/C Wardha-Parli (PG) Quad line at Pooling Station (Near Warora) (2 x D/C)	WRIO/MAH-PGCIL/LILO Wardha-Parli/B-332/DD/2017-18/386-87 dt.13.04.2018	16.05.2018
4	Establishment of 2x1500 MVA, 765/400 kV New Pooling Station near Warora	WRIO/MAH-PGCIL/Warora SS/A-3230/DD/2017-18/515-16 dt.15/05/2018	10.07.2018

PWTL entered into an agreement with POWERGRID for post COD activities including Operation and Maintenance activities for effective O&M of the substation and transmission lines. Additionally, regular trainings are being conducted for O&M personnel on the latest techniques for effective maintenance of the substation and transmission lines.

This Technical Due Diligence Report including the observations and recommendations of IE is based on the review of the Technical Specifications, Material Quality Plan, Type Test Certificates, Field Quality Plan, operation and maintenance Procedures, cyber security procedures, communication systems, environment and safety, and risk aspects of the Project. The Technical Due Diligence Report evaluates all aspects related to technical suitability, clearances, quality, maintenance, environment, safety and identifies risks, if any in operation of the project during its useful life. The report comprises of the following sections:

Section - 1: Introduction

This Section presents a brief introduction of the Project.

Section - 2: Transmission License

Details of Transmission License including the validity of the License and conditions of the License throughout the period of the License are discussed in this Section.

Section - 3: Project

Substation Equipment

Design aspects of the Substation equipment like Circuit Breaker, Isolator, Current Transformer, Protection and Control etc. including the switching scheme are discussed in detail. Further, the Insulation Coordination aspect is also discussed in this Section.

Transmission Lines

Technical details of Towers including Classification of Towers, Conductor, Earthwire, OPGW, Insulators, etc. have been described in this Section.

Section - 4: Communication System

Details about the communication system requirement as per IEGC and its compliance by the Company have been described in this Section.

Section - 5: Environment and Safety

This Section covers the environment and social aspects of the Project. The practices adopted by the Company for maintaining Environment, Health and Safety aspects in relation to the project are discussed in this Section.

Section - 6: Quality Control

The quality aspects of the project like compliance to design parameters, conformance of the tests to various Indian and International Standards, Standard Field Quality Plans during execution of project etc. is discussed in this Section.

Section - 7: Operation and Maintenance

The philosophy followed for operation and maintenance of the project has been described in this Section.

Section - 8: Availability of the Project

The performance of project in terms of availability is assessed in this Section.

Section - 9: Spares Part Management

The philosophy of spare part management is described in this Section.

Section - 10: Physical Security of Assets

The security aspect of the Project has been described in this Section.

Section - 11: Cyber Security

Various aspects of cyber security measures have been discussed in this Section.

Section – 12: Risk Analysis

The assessment of risks associated with the project has been carried out in this Section under various relevant heads.

Section – 13: Regulatory Aspects

The regulatory aspects of the project like Extension of License, Revocation of License and Operation of Assets beyond TSA period have been discussed in this Section.

Section – 14: Insurance

The aspects related to insurance of the project has been discussed in this Section.

Section – 15: Conclusion

The findings of the IE have been summarised and presented in this Section.

As per the specifications provided by POWERGRID, the substation, transmission lines and towers have been designed, installed and tested in accordance with relevant Standards. The design has also met statutory requirements such as the Indian Electricity Rules, Indian Factory Act and Indian Electricity Grid Code etc. IE is of the opinion that comprehensive Quality Assurance Plan is being followed, the final design and specifications of equipment/ systems installed in the Sub Station and Transmission Lines are in line with the technical specification, drawings and documents have been reviewed and approved by POWERGRID.

IE reviewed the status of various approvals and clearances. PWTL has obtained all major permits and clearances.

IE is of the opinion that PWTL has taken adequate measures for management of the complete project for supervision of various contract packages during the construction phase.

IE is of the opinion that the O&M organization set-up is adequate and the O&M philosophy is effective in achieving the target availability.

1. Introduction

Transmission System Strengthening was planned for the evacuation and supply of power from the Gadarwara STPS to the beneficiaries of the generation project which include 765 kV D/C Gadarwara STPS – Jabalpur Pool line and 765 kV D/C Gadarwara STPS – Warora Pool – Parli – Solapur line. This transmission system strengthening facilitated immediate evacuation as well as supply of power to its beneficiaries with reliability and security. Beyond Solapur, dispersal of power to the beneficiaries of the generation project was to be through existing/planned transmission network under ISTS. The Transmission System had been split into two parts viz. Part A and Part B. Transmission System Associated with Gadarwara STPS (2x800 MW) both part-A and Part-B Transmission System were to be implemented in the same time frame.

The transmission scheme was agreed in the 36th Standing Committee meeting on Power System Planning of Western Region held on 29.08.20103 and approved by the Government of India for TBCB vide 32nd meeting of the Empowered Committee on Transmission held on 17.01.2014 at CEA, New Delhi.

RECTPCL was notified by Ministry of Power, The Government of India, vide notification No. 15/1/2013-Trans dated 08.07.2014 as the BPC for the purpose of selection of bidder as TSP to establish '*Transmission System associated with Gadarwara STPS (2x800 MW) of NTPC Part-A*' on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding. A Special Purpose Vehicle (SPV), Gadarwara (A) Transco Limited was incorporated on 05.08.2014 by RECTPCL as its wholly owned subsidiary to initiate work on the project. RECTPCL invited bids from the prospective bidders and POWERGRID emerged as the successful bidder with the lowest annual levelized transmission charges of Rs 2901.47 million.

LoI was issued on 11.03.2015 and the SPV, Gadarwara(A) Transmission Ltd., was acquired by POWERGRID on 24.04.2015 with scheduled COD as November, 2017 for the Project.

Overall system design including transmission line and substation has been done by POWERGRID as part of the consultancy assignment given by the Company. The design of various towers used in the transmission lines were developed in-house. The type tested designs of POWERGRID complying to CEA's technical standards, regulations and relevant Indian standards have been deployed. Protection setting coordination has been finalised by POWERGRID.

Complete quality control plan during various stages of manufacturing, erection, factory and site testing has as per POWERGRID standard quality control plan. The system has been designed and constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols. POWERGRID has standard pre-commissioning documents for substation equipment like transformer/ reactors, protection system and transmission lines. The components have been designed, manufactured, transported, stored, erected, tested and commissioned in compliance with relevant Indian and International Standards.

All relevant statutory technical clearances are in place, including the following:

i. Approval under Section 68 of the Electricity Act
ii. Authorisation under Section 164 of the Electricity Act
iii. Grant of Transmission License by CERC
iv. Route approval by PTCC, GoI
v. Electrical Safety Clearance of CEA

List of all relevant Approvals and Clearances is placed at Annexure-I

The details of the Project Elements of PWTL are as follows:

S.No.	**Transmission System Associated with PWTL**			
	Project Elements	**Route length (km)/ Line length (ckm)/ Transformation Capacity (MVA)**	**Conductor**	**Actual COD**
1	LILO of existing 765 kV S/C Seoni – Bina line at Gadarwara STPP. At a later date, LILO portion* to be de-linked from 765 kV S/C Seoni – Bina line to restore the 765 kV S/C Seoni – Bina direct line, and the LILO portion shall be extended to Jabalpur^ 765/400 kV pooling station to form 765 kV D/C Gadarwara STPS – Jabalpur Pool line.	15.276km 30.552 ckm. 86.961 km 173.922 ckm	ACSR Hexa Zebra	30.11.2016 and 31.05.2017
2	765 kV D/C Gadarwara STPS – New Pooling Station near Warora line	313.676 km 627.352 ckm.	-do-	10.07.2018
3	LILO of both circuits of 400 kV D/C Wardha – Parli (PG) Quad line at Pooling Station (Near Warora) (2 x D/C),	98.144 km 196.288 ckm.	Quad Moose	16.05.2018
4	Establishment of 2x1500 MVA, 765/400 kV New Pooling Station near Warora. Nagro Village, Nagri-Keli Road, Warora Tehsil, Chandarpur District, Maharashtra – 442907 ICTs: 7 x 500 MVA, 765/400 kV (1 spare unit) ICT bays: 2 no. Line bays: 6 no. Bus reactor: 3 x 110 MVAR Bus reactor bay: 1 no. Line reactors: 7 x 110 MVAR (1unit spare) (for Gadarwara line) Line reactors switchable: a) 6 x 110MVAR 765/√3 kV 1-Ph (for Parli line) b) 2X80MVAR, 420 kV 3-Ph (for Parli Line) Space for future bays: 4 no. 400 kV ICT bays: 2 no. Line bays: 4 no. Space for future 400 kV bays: 4 no.	3000 MVA		10.07.2018

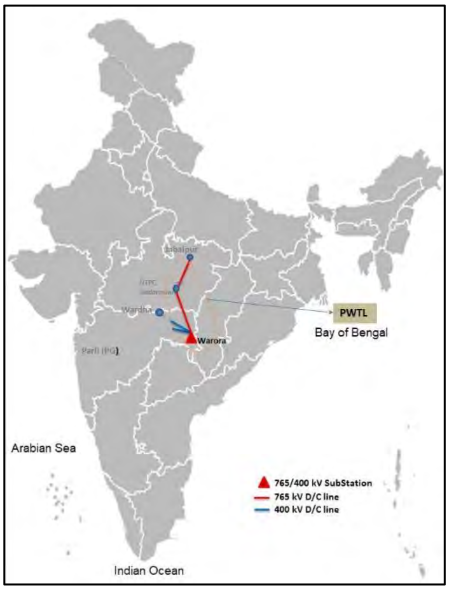
According to the LoI, the scheduled COD of the Project was November, 2017. The delay in actual commissioning of the system with respect to the scheduled COD is mainly due to force majeure events and other reasons beyond control, such as severe right of way issues due to notification of land compensation by Govt. of Maharashtra and Govt. of Madhya Pradesh, civil suits filed in district and High Courts of Maharashtra and Madhya Pradesh, Delay in Section 164 authorization, delay in Forest Clearance, local unrest and obstruction of work etc.

Further, LTTCs have condoned the delay in commissioning of the project and a supplementary agreement has been signed with LTTCs extending the timelines for project completion to 10.07.2018.

As per the TSA executed with the Long Term Transmission Customers (LTTCs), the expiry date of TSA is 35 years from scheduled COD of the project. Considering the revised scheduled COD of 10.07.2018 for the Project, the remaining period of the TSA with LTTCs is 32.6 years.

PWTL, in accordance with the Sharing Regulations of CERC, entered into Revenue Sharing Agreement (RSA) and Transmission Service Agreement (TSA) with CTU. The transmission charges are collected in accordance with the billing, collection and disbursement procedure set out in the TSA with CTU and disbursed to PWTL, and as directed by the CERC.

Project Location Map



2. Transmission License

Central Electricity Regulatory Commission New Delhi in Petition No. 126/TL/2015 granted transmission license to Formerly Gadarwara (A) Transco Limited B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016 vide order dated 05.08.2015. The name of the Project Company was later changed to POWERGRID Warora Transmission Limited.

The grant of transmission licence to the petitioner is subject to the fulfilment of following conditions throughout the period of licence:

(a) *The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;*

(b) *The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence.*

(c) *Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;*

(d) *The petitioner shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;*

(e) *The petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;*

(f) *The petitioner shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;*

(g) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.*

(h) *The petitioner shall 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;*

(i) *The petitioner shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission*

(Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;

(j) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;*

(k) *The petitioner shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and*

(l) *The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 27.06.2015.*

3. Project

PWTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project.

3.1 Substation

3.1.1 General Information

S.No.	Description	Details
1	Location of Warora S/s	765/400 kV Warora S/s Warora, Distt. Chandrapur (Maharastra) 442907
2	Area of Substation	103.6 acres
3	Substation Packages award and commissioning details	
a)	Substation Package	i) Contractor: Siemens India
b)	Transformer package	i) Contractor: Transformers and Rectifiers India Ltd ii) Scope: 7X500MVA, 765/400/33, 1-Phase Auto transformer
c)	Reactor package	i) Contractor: GE India Ltd ii) Scope: 16*110MVAR, 765/√3 kV, 1-Phase Shunt Reactor (including one number as spare) and 2X80MVAR, 420 kV, 3-Phase Shunt Rectors
4	Common Facilities	Following Common facilities are available i) One 800 kVA, 33/0.4 kV LT transformer connected with dedicated Discom Supply ii) One 800 kVA, 33/0.4 kV LT transformer connected with tertiary of1500MVA, 765/400/33 kV autotransformer iii) Power Back up by 500 kVA DG Set Following facilities are under construction: – Residential Township with 21 number of Quarters – Transit camp – Community centre – Closed Store – Open Store

3.1.2 Design of Substation Equipment

S.No.	Description of Parameters	765 kV System	400 kV System
1.	System operating voltage	765 kV	400 kV
2.	Maximum operating voltage of the system(rms)	800 kV	420 kV
3.	Rated frequency	50 Hz	50 Hz
4.	No. of phase	3	3
5.			
i)	Impulse withstand voltage for (1.2/50 microsec.) -Transformer and reactors - for other equipment	 1950 kVp 2100 kVp	 1300 kVp 1425 kVp (1550 kVp for Insulator String)
ii)	Switching impulse withstand voltage (250/2500 micro sec.) dry and wet	1550 kVp	1050 kVp
iii)	One minute power frequency dry withstand voltage(rms)	830 kV	630 kV
iv)	One minute power frequency dry and wet withstand voltage (rms)	-	-
6.	Corona extinction voltage	508 kV	320 kV
7.	Max.radio interference voltage for frequency between 0.5 MHz and 2 MHz	2500 micro-volts a 508 kV rms	1000 micro-volt at 266 kV rms
8.	Minimum creepage distance (25mm/kV)	20000 mm	10500 mm
9.	Max. fault current	50 kA	50 kA
10.	Duration of fault	1 sec	1 sec

3.1.3 Insulation Coordination

The 800 kV and 420 kV system is designed to limit the switching surge over Voltage of 1.9 p.u. and 2.5 p.u., respectively and is expected to decay to 1.5 p.u. in 5 to 6 cycles. Consistent with these values and protective levels provided by lightning arrestors, the insulation levels are adopted for 800 kV and 420 kV systems.

3.1.4 Switching Scheme

It is essential that the system should remain secure even under conditions of major equipment or bus-bar failure. Substations being the main connection points have large influence on the security of the system as a whole. The selection of the bus switching scheme is governed by the various technical and other related factors.

One and Half breaker bus scheme for 765 kV and 400 kV have been provided due to their merits in terms of reliability, security, operational flexibility and ease of maintenance of equipment.

3.1.5 Circuit Breakers

The circuit breakers and accessories conform to IEC: 62271-00, IEC: 62271-01 and are of SF6 Type. The rated break time shall not exceed 40 ms for 420 kV and 800 kV circuit breakers. 800 kV and 420 kV Circuit breakers are provided with single phase and three phase auto reclosing. The Circuit breakers controlling 800 kV and 420 kV lines are provided with pre-insertion closing resistor of about 450 ohms maximum with 8 ms minimum insertion time. The short line fault withstand capacity is same as the rated capacity and this is proposed to be achieved without use of opening resistors. 800 kV and 400 kV Circuit Breaker have been equipped with controlled switching device for controlling of transformer and shunt reactor. The controlled switching device has been provided in circuit breaker of switchable line reactor and in Main and Tie circuit breakers of transformers, line with non-switchable line reactors and bus reactors.

3.1.6 Isolators

The isolators comply with IEC 62271-102 in general. 800 kV isolator is knee-type. 420 kV isolators are double break type, All isolators and earth switches are motor operated. Earth switches are provided at various locations to facilitate maintenance. Isolators rated for 420 kV and 800 kV are of extended mechanical endurance class - M2 and all earth switches are class M0 as per IEC-62271-102. Main isolator blades and earthing blades are interlocked and interlock is electrically interlocked fail-safe type. 800 kV and 420 kV earth switches for line isolator are suitable for induced current switching duty as defined for Class-B and short circuit making capability class E0.

3.1.7 Current Transformers

Current Transformers comply with IEC 60044-1 in general. All ratios are obtained by secondary taps. Current Transformers (CT) for 420 kV and 800 kV have six cores (four for protection and two for metering). The burden and knee point voltages are in accordance with the requirements of the system including possible feeds for telemetry. Accuracy class for protection core is PS and for metering core it is 0.2S.

3.1.8 Capacitor Voltage Transformers

Capacitive voltage transformers comply to IEC-60044-5 in general. They have three secondaries out of which two are used for protection and one for metering. Accuracy class for protection cores is 3 P and 0.5 and for metering core is 0.2. The voltage transformers on lines are suitable for carrier coupling. The capacitance of CVT is 4400/8800 pF depending on PLCC requirements. 800 kV Line CVTs are of 8800 pF.

3.1.9 Surge Arresters

Station class current limiting, heavy duty gapless type surge arresters conforming to IEC 60099-4 in general have been provided. The rated voltage of surge arrester (624 kV for 765 kV system and 336 kV for 400 kV system) and other characteristics are chosen in accordance with system requirements. Surge arresters have been provided near line entrances, transformers and reactors so as to achieve proper insulation coordination. Porcelain housing of surge arrester is fitted with pressure relief devices and diverting ports suitable for preventing shattering of porcelain housing providing path for the flow of rated currents in the event of arrestor failure.

3.1.10 Substation Support facilities

Support facilities required for operation and maintenance of substations have been provided.

i. For LT Supply at each new Substation, two (2) nos. 800 kVA LT Transformers shall be provided out of which has been connected with Discom supply and the other connected to tertiary of 765/400kV transformer.
ii. 2 Nos. batteries of 220V for control and protection and 2 Nos. 48V batteries for PLCC/ Communication equipment provided at the substation. Each battery bank has a float-cum-boost charger. Battery is of VRLA type and adequate ampere-hour rating.
iii. Suitable AC and DC distribution boards and associated LT Switchgear has been provided.
iv. One no. 500 KVA DG set has been provided for emergency applications.
v. Sizing of Auxiliary system (like battery charger, LT switchgear) has been done considering future bay requirements to avoid replacement in future with higher sizes.
vi. Adequate space in the building has been considered for ACDB/ DCDB panels for future bays.

3.1.11 Protection and Control

i. General

The substation is provided with control, relaying and monitoring functions along with substation automation system based on IEC 61850 protocol using fibre optic network. The communication and tele-protection with adjacent connected substations are through digital protection coupler via SDH and OPGW communication.

The state of art protection system based on numerical technology has been provided for transformers, reactors, transmission lines and bus bars to minimize the damage to equipment in the event of fault. These protective relays are with self-diagnostic feature and conforming to latest IEC 61850 for communication purposes for communicating the detailed list of events recoded by these relays in the event of fault or any abnormal conditions. Relays are equipped with in built fault recorder which can record analogue as well as digital information for analysis of fault.

ii. Auto Transformers and Reactors

Auto transformers and reactors are provided with the following protections:

a. Differential protection

b. Restricted earth fault protection
c. Back-up impedance/ overcurrent, earth fault protection

Besides these, transformers and reactors are also provided with buchholz relay, protection against oil and winding temperatures and pressure relief device.

iii. Transmission Line Protection

765 and 400 lines have MAIN-I protection and also have numerical distance protection scheme carrier as three zone distance type with carrier aided inter-tripping feature. All lines also have MAIN-II protection which has numerical distance protection scheme like Main-I but of different make than MAIN-I. Distance Relays (Main-I and Main - II) are also provided with two stage over voltage protection. Further, all lines are provided with single and three phase auto-reclosing facility to allow reclosing of circuit breakers in case of transient faults. Distance relays are also provided with fault locators.

iv. Bus-Bar Protection

The high-speed bus bar differential protection which is essential to minimize the damage and maintain system stability at the time of bus bar faults has been provided for 765kV and 400 kV buses. Bus bar protection scheme is such that it operates selectively for each bus and incorporates necessary features required for ensuring security. The scheme has the provision for future expansion.

v. Local Breaker Backup Protection

This is provided for 765kV and 400kV circuit breakers at the substation to de-energize the affected stuck circuit breaker from both sides. It operates after a preset time delay in the event of a fault if the designated circuit breaker fails to open.

3.1.12 Phasor Measurement Units (PMU)

The substation is equipped with state-of-the-art phasor monitoring units. A phasor is a complex number that represents both the magnitude and phase angle of the sine waves found in electricity. Phasor measurements that occur at the same time over any distance are called 'synchrophasors' Phasor measurement units are sampled from widely dispersed locations in the power system network and synchronized with the common time source (GPS) and communicated through optic fibre network to Phaser Data Concentrators (PDC) located at Load Dispatch Centres. Synchrophasor technology provides a smart tool for system operators and planners to measure the state of the electrical system (over many points). PMUs measure critical parameters. India has one of the largest synchrophaser network in the world. Its varied applications in real-time grid operation, identifying cause of grid disturbance at initial stage, condition monitoring of grid elements and data analytics have empowered the grid operators, facilitated secure grid operation as well as accurate and prompt analysis of grid disturbances.

3.1.13 Substation Automation System (SAS)

Distributed architecture has been used for substation automation system where the controls are provided through bay control unit and it complies as per IEC 61850.Bay control units are provided bay wise for voltage level 765 kV and 400kV. All bay control units as well as protection units are normally connected through an optical fibre high speed network. The control and monitoring of substation elements such as circuit breaker, disconnector, resetting of relays etc. are being done from Human Machine Interface (HMI) from the control room. SAS is equipped with the facility of remote operation. By providing remote HMI and suitable communication link, the substation can be controlled from a remote location. The functions of control, annunciation, disturbance recording, event logging and measurement of electrical parameters has been integrated in Substation Automation System. The SAS has been provided with the facility of communication and control for remote operation.

3.1.14 Fire Protection System

Fire protection system inside the substation as per statuary requirement is provided. Considering criticality, High Velocity Water Spray based fire protection system is provided for all oil filled equipment (transformer and reactors). Sufficient capacity of water is stored in water storage tank to meet the requirement of firefighting. For pumping of this water from water tank, redundant pumps are provided in firefighting pump house building. The water lines are always kept pressurised with an automatic jokey pump.

3.2 Transmission Lines

3.2.1 General Description

PWTL awarded the following major contracts for construction of the project:

Packages	Agencies
Tower Supply	M/s. Kalpataru Power Transmission Ltd., M/s. Karamtara Engineering Private Ltd.
Conductor Supply	M/s. Apar Industries Ltd. M/s. TLL M/s. JSK Industries Pvt. Ltd. M/s. Sterlite Technologies Ltd. M/s Hindustan Urban Infrastructure Ltd.
OPGW	M/s. ZTT India Private Limited.
Insulator Supply	M/s. Jilin Longxin Electrical Equipment Co., Ltd.
Tower Erection and Stringing.	M/s. Gammon India Ltd. M/s KEC International Ltd.

The lattice steel towers have been designed as per IS: 802 for the relevant wind as applicable with adequate Reliability level. Towers have been tested at tower testing stations in India. IS Steel section of tested quality of conformity with IS:2062 grade E250 and / or grade E350 are used in towers. The tower parts, stubs and pack washers are hot dip galvanised with minimum overall zinc coating of 610 gm/m^2 except for plates and sections below 5 mm which have zinc coating of 460 gm/m^2 with average coating of 87 microns and 65 microns respectively. POWERGRID has provided its proprietary structural drawings, shop drawings and Bill of Materials of all type of standard transmission line towers and its extensions, special towers as required to the Contractor after placement of award according to the project requirement.

Foundations are generally open cast with RCC.

Composite Insulators with Specific Creepage 31mm /kV have been used.

765kV D/C: (Hexa)

Double I Insulator Strings with 160kN Composite Insulators in Suspension Towers and Quadruple Tension Strings with 210kN Composite Insulators in Tension Towers.

400kV D/C (Quad):

Double I Insulator Strings with 120kN Composite Insulators in Suspension Towers and Quadruple Tension Strings with 160kN Composite Insulators in Tension Towers.

Minimum Ground Clearance**:** For 765kV Line: 15m and for 400 kV Line: 8.84m required as per CEA safety standard.

Towers are complete with towers accessories such as Bird Guard, Danger Plate, Number Plate, Phase Plate, Anti-Climbing Device and Step Bolts, and Conductor and earth wire, and accessories like - Mid Span Compression Joint, Repair Sleeve, Bundle Spacer, Vibration Damper, Spacer Damper, Earth Wire Suspension Clamp, Earth Wire Tension Clamp etc.

3.2.2 Classification of Towers

The towers for 765 kV Double Circuit Lines are classified as under:

Type of Tower	**Deviation Limit**	**Typical Use**
DA	0°	To be used as tangent tower.
DB	0° - 15°	i) Angle Towers with Tension Insulator String. ii) Also, to be used for uplift force resulting from an uplift span upto 200 m under broken wire condition. iii) Also, to be used for Anti Cascading Condition.
DB	0°	To be used as Section Tower.
DC	15° - 30°	i) Angle tower with Tension Insulator String. ii) Also, to be used for uplift forces resulting from an uplift span upto 200m under broken wire condition. iii) Also, to be used for Anti-Cascading Condition.
DC	0°	To be used as section tower.

DD	30°- 60°	i) Angle Tower with Tension Insulator String. ii)Also, to be used for uplift forces resulting from an uplift span upto 30 m under broken wire condition. iii) Dead end with 0° to 15° deviation both on line side and substation side (slack span)
DD	0°	i) Complete Dead end ii) For river crossing anchoring with longer wind span

Service Conditions of Transmission Lines in the Package	
Climate varies from moderately hot and humid tropical climate to cold climate. Equipment /material is suitable for satisfactory continuous operation under for the following site conditions.	
Maximum ambient temperature (Degrees Celsius)	50°C
Minimum ambient temperature (Degree Celsius)	0 °C
Relative humidity (% range)	10-100
Maximum annual rainfall and snowfall (cm)	As per published Meteorological/ climatological data
Wind zone as per IS: 875	Partly zone 2 and partly 3
Maximum wind velocity as per IS: 875	Zone 2: 39m/sec Zone 3: 44m/sec
Maximum altitude above mean sea level (Metres)	Upto 1000m
Isoceraunic level (days/years)	Upto 60 thunderstorm days/year
Pollution level	Medium/Heavy

3.2.3 Fasteners: Bolts, Nuts and Washers

All tower members are joined together with hexagonal bolts and nuts. All hexagonal bolts and nuts conform to IS-12427. They have hexagonal head and nuts, the heads being forged out of the solid, truly concentric, and square with the shank. All bolts and nuts are galvanized as per IS:1367 (Part-13)/IS:2629.

3.2.4 Step Bolts and Ladders

Each is tower is provided with step bolts conforming to IS:10238.

3.2.5 Clamps Attachments of Insulator Strings and Earth Wire

i. For the attachment of suspension Insulator String, a suitable sized swinging hanger is provided on the tower so as to obtain specified clearances under swinging condition of the strings. The hanger, extensions links and D-shackles which are of same rating/strength as that of corresponding rating/ ultimate tensile strength of insulator string is used in transmission line.

ii. At tension towers, strain plates of suitable dimensions under each cross-arm tip, are provided for taking the hooks or D-shackles of the tension insulator strings.

3.2.6 Galvanizing of Tower Parts

The tower parts, stubs and pack washers are hot dip galvanized as per requirements of IS 4759.

3.2.7 Conductors for 765 kV and 400kV Transmission Lines

S.No.	Description	Conductor	Conductor
		765 kV D/C	400 kV D/C
1.	Type	ACSR 'ZEBRA' conductor	ACSR 'MOOSE' conductor
2.	Stranding and wire diameter		
2.1	Aluminium / Al Alloy	54/3.18	54/3.53
2.2	Steel	7/3.18	7/3.53
3.	Conductor per phase	6	2/4
4.	Spacing between conductor of same phase (sub conductor spacing) (mm)	457	457 (In Quad)
5.	Overall Diameter (mm)	28.62	31.77
6.	Unit mass (kg/km)	1621	2004

3.2.8 Earthing, Earthwire and OPGW Details

Earth Wire/OPGW is connected at the top of each tower to protect the transmission line from lightening. Each tower has been earthed with pipe or counterpoise earthing as per soil resistivity of that area. Appropriate type of earthing is adopted to ensure tower footing resistance does not exceed 10 ohms.

S.No.	Description	Earth Wire	OPGW (12.5)	OPGW (11.9) For LILO and repeater portion
		765kV / 400kV	765kV	400kV
1.	Type	7/3.66mm GS Earthwire	Buffer loose tube (24-F) Aggregate 442.07 km	Buffer loose tube (24-F) Aggregate 103.05 km
2.	Stranding and wire diameter	Steel- 7/3.66	As per drg	
3.	Overall Diameter (mm)	10.98	12.5	11.9
4.	Unit mass (kg/km)	583	460	409
5.	Min. Ultimate Tensile Strength (kN)	68.4	83.9	64.9

3.2.9 Technical Information for 765 kV and 400 kV lines

S.No.	Description	Voltage Level	765 kV Line	400 kV Line
1.	Nominal Voltage	kV	765	400
2.	Maximum system voltage	kV	800	420
3.	BIL (Impulse)	kV (Peak)	2400	1550
4.	Power frequency withstand voltage (Wet)	kV (rms)	830	680
5.	Switching surge withstand voltage (Wet)	kV (rms)	1550	1050

S.No.	Description	Voltage Level	765 kV Line	400 kV Line
6.	Minimum Corona extinction voltage at 50 Hz AC system under dry condition	kV (rms) phase to earth	510 (min)	320 (min)
7.	Radio interference voltage at one MHz for phase to earth voltage of 510 kV under dry condition.	micro Volts	1000 (max)	1000 (max)

3.2.10 Insulator of 765kV and 400kV Transmission Lines

The insulators of the strings consist of composite long rod insulators for a three phase, 50 Hz, effectively earthed 765 kV AC transmission system application in a very heavily polluted environment. Couplings are ball and socket type. Composite Long Rod Insulators are proven to be effective for use under foggy/humid operating conditions in polluted industrial environment combined with smoke and dust particles. Insulators are tested as per IEC-61109 or as per 62217.

The details of the Insulator Strings are as below:

S.No.	Type of Insulator String	Size of Composite Insulator (Core dia x length) (mm)	Minimum Creepage Distance (mm) per unit	No. of Units per String (Nos.)	Electro-Mechanical Strength of Insulator Unit (kN)	Mech Strength Insulator String (kN)
	INSULATOR FOR 765kV D/C AC TRANSMISSION LINES WITH HEXA ZEBRA CONDUCTOR					
1.	Double 'I' Suspension	24x2975	12400	2x2	160	2x160
2.	Single Suspension 'Pilot'	24x2975	12400	1x2	160	160
3.	Single Tension	24x2975	12400	1x2	160	160
4.	Quad Tension	24x2975	12400	4x2	210	4x210
	INSULATOR FOR 400kV D/C AC QUAD MOOSE CONDUCTOR					
1	Double 'I' suspension	20 x 3335	13020	2x1	120	240
2	Single Suspension Pilot	20 x 3335	13020	1x1	120	120
3	Quad Tension	24 x 3910	13020	4x1	160	640

3.2.11 Spacer Damper and Rigid Spacer for ACSR Zebra and Moose Conductors

The spacer dampers are designed to maintain the bundle spacing of 457 mm under all normal operating conditions and to effectively control Aeolian vibrations as well as sub-span oscillations, and to restore conductor spacing after release of any external extraordinary load. The tolerance limit for nominal sub-conductor spacing shall be maintained within ±5 mm.

The spacer dampers restore the normal sub-conductor spacing due to displacement by wind, electromagnetic and electrostatic forces, including the specified short circuit loading without permanent deformation or damage either to bundle conductors or to the spacer damper itself.

The clamping system has been designed to compensate for any reduction of conductor diameter due to creep.

The spacer damper assembly is capable of being installed and removed from the energized line by means of hot line techniques.

The sub-spans vary from 40m to 70m. The staggering scheme is such that the spacer dampers are unequally distributed along the span in order to achieve sufficient detuning of adjacent sub-spans during oscillations of sub-span mode as well as to ensure bundle stability for wind speeds up to 60 km/hr.

4. Communication System

As per Indian Electricity Grid Code (IEGC), agency establishing Substation /generating station has to provide real time data and voice from their stations to RLDC for efficient grid management. In consideration of the same, transmission lines constructed by PWTL are provided with 24 F (24 fibre) OPGW in place of one earth wire. OPGW serves dual purpose i.e. grounding wire as well as fibre optic communication cable. Presently, six (6) fibres out of 24 fibres of OPGW are used to establish communication connectivity with CTU Communication network for providing access up to RLDC.

5. Environment and Safety

5.1 Environment

5.1.1 Transmission projects are considered by and large environmentally benign that don't involve disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil. No specific environmental clearances are required for construction or operation of transmission projects. Forest clearance under Forest (Conservation) Act, 1980 from Ministry of Environment Forests and Climate Change (MoEFCC) is a mandatory requirement wherever transmission line involves forest area. Accordingly, forest clearances for Gadarwara STPS - Warora 765 kV D/C line involving 50.731 hectare in Maharashtra and 165.528 hectare in Madhya Pradesh have been obtained.

5.1.2 Due care has been taken to prevent/mitigate community environmental aspects such as EMF exposure,, electrical shock and fire hazards, Contamination of environmental receptors, noise level etc. These aspects are integral part of equipment design based on international standards. In order to dispel the EMF effect, studies have been carried out with the help of PTI, USA and CPRI, Bangalore. POWERGRID designs used by PWTL follow the required international standards.

5.1.3 Adoption of measures such as provision of oil pits and sumps, responsible disposal of used transformer oil, electronic wastes as per applicable regulations and prevention of leakage of SF6 gas through regular monitoring using sophisticated instruments and inventory control has resulted in compliance with the regulatory framework. Moreover, during replacement, SF6 gas is not released in the atmosphere but pumped into cylinders and returned to OEM.

5.2 Safety

5.2.1 Standard procedures for safety are followed during construction, testing, operation and maintenance. Tower earthing, earth wire for lightening protection of transmission lines and substations, strict safety procedures for isolation and permission to work protocols are in place.

5.2.2 It is mandatory for contractors to sign a 'Safety Pact' before award of contract. Further, all health and safety issues and its management aspects are made integral part of project including implementation of contract specific 'Safety Plan'. Preventive measures like use of personal protective equipment such as safety belts, helmets, shoes, gloves etc. are followed to avoid accidents in its work areas. Such measures include promoting mechanization for better and safe working conditions at the sites, contractual provisions like disqualification from future bidding, signing of safety pact, provision of penalties, payment of additional compensation to the legal heirs of the victims over and above the statutory compensation and daily safety briefings, mock drills and safety related trainings.

5.2.3 The substation safety grounding mat has been designed as per IEEE 80 for fault level of 50 kA for 1 second as per soil characteristics to keep the touch and step potential within permissible safety limits.

5.2.4 POWERGRID has been maintaining systems and procedures aligned with integrated management system comprising of quality, environmental and occupational health and safety management systems. Currently, it is in compliance of ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and OHSAS 45001:2018 for Occupational Health and Safety Management System.

6. Quality Control

In order to ensure compliance to design parameters, equipment were type tested as per relevant Indian and International Standards like IEC/BIS. The contractors furnished the reports for type tests as per technical specification during execution stage. These type tests are conducted in accredited laboratory (accredited based on ISO / IEC Guide 25 / 17025 or EN 45001 by the national accreditation body of the country where laboratory is located) or witnessed by POWERGRID. From above, it is inferred that all the equipment/structures meets relevant standards.

Field Quality Assurance Department of POWERGRID has ensured field quality during construction. POWERGRID has internal systems and procedures for checking/ auditing the construction works. Field Quality Assurance Department at Corporate Centre has Standard Field Quality Plans (SFQP) for substations and transmission lines, standard formats and guidelines. The field quality plan covers all aspects during construction and erection of transmission lines and substations. This is a detailed document covering checks at various stages during project execution. This SFQP was an integral part of contract agreement. Field Quality Assurance executives made regular visits to the project site in line with the inspection calendar and ensured adherence to quality check procedures.

7. Operation and Maintenance

7.1 Philosophy

The O&M of the transmission lines and substation, since their commissioning, has been carried out by POWERGRID as part of a consultancy services agreement entered between PWTL and POWERGRID for undertaking various post COD activities of the Company including Operation and Maintenance of transmission lines and substation. The current agreement is valid with effect from 01.04.2020.

POWERGRID, on behalf of PWTL, has been carrying out regular maintenance of the substation and transmission lines with defined periodicity and maintenance schedules.

The objective of operation and maintenance activities is to:

- carry out preventive maintenance so as to maximize the life of the assets
- minimize downtime of substation elements/ transmission line for maintenance purpose
- achieve system availability as specified in the TSA at economic cost

7.2 O&M Organization Setup

A general O&M set up for project including substation and transmission line includes an in-charge with engineers for substation operation, substation maintenance and transmission line maintenance with respective teams of junior engineer, technicians and fitters and other related manpower. The team composition is flexible and is augmented/ strengthened based on requirements.

7.3 Operation

For day-to-day activities, the operation of the substation is carried out from the local control room. Round the clock operation duty is performed in three shifts, with two persons in each shift. The main function of the operation staff is to carry out the following:

i. Operation of the equipment as per the instruction of RLDC (POSOCO)
ii. Restoration of the system in case of tripping in consultation with the maintenance staffs after analysing the fault
iii. Monitoring the system parameters and alarms, informing the maintenance staffs in case of any abnormality

The SCADA system installed in these stations are so designed that in case of requirement, these stations can be operated from remote. Further, in case of requirement also, the tripping details like events and disturbance records can be extracted from remote and can be analysed.

7.4 Procedure for O&M of transmission lines

Standard procedures, generally related to O&M of transmission lines, are being followed, which include general safety precautions to be followed during O&M activities of transmission lines; procedure and working instructions about action to be taken during fault/ tripping of transmission lines like co-ordination with the terminating stations for shutdown/ charging; maintenance schedule and procedures. The procedures generally include various formats to be filled during transmission line maintenance.

7.5 Maintenance of Transmission lines

Routine and preventive maintenance of transmission lines is being carried out as per defined/ standard schedules for transmission lines; and best practices in O&M such as regular patrolling of lines, periodic removal of vegetation, thermo-vision scanning, on-line insulator puncture detection etc. have been adopted. Trained in-house manpower/ hired manpower on contract basis has been identified to swiftly attend any unforeseen eventualities/ natural calamities.

7.5.1 Patrolling

The patrolling as generally followed is indicated below:

Type of patrolling	**Schedule**
Ground Patrolling-400 kV Lines	Six Monthly
Ground Patrolling-765 kV Lines	Four Monthly
Ground Patrolling- Critical locations	Three Monthly
Emergency patrolling	Immediate

7.5.2 Routine Maintenance of Lines

The activities which are part of routine maintenance are described below:

i. Routine ground patrolling includes inspection of structural and conductor components. The main purpose of inspection is identification of defects in lower as well as upper body of tower including insulators, jumper, hardware fittings, corona ring, grading ring, etc. Follow up maintenance activities are scheduled based on the criticality of identified defects.

ii. 100% of transmission line towers and spans are being checked by concerned technician/ junior engineer once in a patrolling cycle. At least 10% of towers of transmission lines are checked by concerned line engineer in a calendar year. At least five (5) towers are inspected by the concerned Line In-charge every month.

iii. Tower top patrolling of the lines are carried out in case of repeated tripping/ auto-reclosures to find untraceable faults during ground patrolling. Tower top patrolling is being carried out by maintenance team in live line conditions.

iv. In case of tripping of the line, emergency patrolling of few towers on both side of fault location is carried out using required testing kit. In case of permanent faults, offline fault locators are utilized by substation maintenance engineer to correlate with online fault location.

7.5.3 Emergency Procedures

i. In case of any tripping/ auto-reclosure of the line on account of line faults, the terminating station control room informs the line incharge about the incident with details of tripping including fault locator reading. Maintenance team visits the affected location/ site immediately. Based on nature of problem, the restoration work is taken up and if required, support of third party is also taken.

ii. POWERGRID maintains a region wise centralised emergency restoration system (ERS) with light weight towers and erection team. In case of tower collapse, POWERGRID, depending on availability, can provide the ERS on temporary and chargeable basis, so that the system can be restored at the earliest.

7.6 Procedure for O&M of Substation

With the purpose to ensure reliable and safe operation of switchyard equipment, maintenance schedule for substation equipment finalised in advance; and standard procedures, generally related to O&M of substation like power supply checks, permissive checks, charging procedures, general safety precautions, shutdown procedures, working instructions for operating procedure of the substation equipment, isolation procedure of equipment during maintenance, action to be taken during fault/ tripping of any equipment/ transmission lines and gas leakage etc. are being followed. The procedures generally include various formats to be filled during substation maintenance.

7.7 Maintenance of Substation

Preventive checking and maintenance of asset is being carried out for following equipment:

i. Transformers
ii. Reactors
iii. Circuit breakers
iv. Instrument transformers like CT and CVT
v. Surge Arrestor
vi. Isolators
vii. Auxiliary system like DCDB, LT panels, DG set, etc.
viii. Firefighting system
ix. Battery system

Preventive checking and maintenance activities are performed on regular basis as defined in O&M manual (dily, weekly, monthly, and yearly). The activities include corrective actions to be taken in case of violation of limits during the testing of equipment

Different type of test like DGA, capacitance and tan delta, DCRM, timing measurement, etc are performed on regular basis to check the healthiness of equipment. Experienced manpower, in-house/ hired on contract basis, has been identified for operation and maintenance of Substations.

7.7.1 Detailed Investigation

Based on condition monitoring test results, the problems can be identified and rectified in the incipient stage and the failure of the equipment is avoided. In case of violation in test results, some specialized tests are carried out and if required, the support of manufacturer is also taken on case to case basis.

7.7.2 Protection Audit

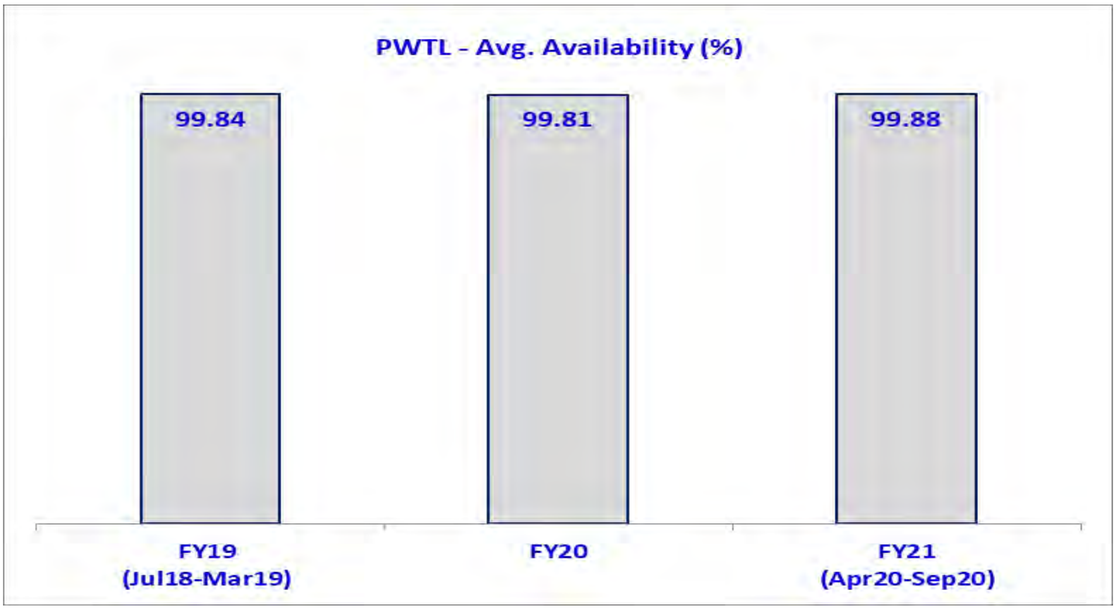
Third party protection audit is done periodically at every substation to check implementation of standard protection scheme and relay settings as per standard guidelines

8. Availability of PWTL

8.1 Calculation of availability of the projects acquired through TBCB mechanism is carried out as stipulated in the respective TSA. The outage data of the company is submitted to respective RLDC(s) for checking. Based on the certified outages by RLDC(s), the RPC(s) issues the availability certificates.

8.2 As per TSA, the target availability for the project is 98%. The company is entitled to receive incentive/ required to pay penalty based on the annual transmission system availability.

8.3 The average availability since commercial operation of the project, including for the period Apr-20 to Sep-20 is given in chart below.



8.4 During the year 2019-20, the average availability was 99.81%. Month-wise availability since commercial operation of the project is given at Annexure-II.

8.5 The modalities for the calculation of incentive/penalty is as under:

i. In case transmission system availability (in percentage points), as per the TSA, is 98%, the company gets full transmission charges as per the TSA.

ii. In case availability is less than 98%, the transmission charges are reduced proportionally.

iii. In case, availability in a contract year exceeds 98%, the company is eligible for receiving annual incentive subject to maximum availability of 99.75% which is calculated as below:

   a. *Incentive= 0.02 x Annual tariff x (Actual annual availability – Target availability)*

iv. Penalty is imposed in case system availability in a contract year is less than 95%. The annual penalty is calculated as:

   a. *Penalty = 0.02 x Annual tariff x (Target availability – Actual annual availability)*

9. Spare Parts Management

The initial spares procured by PWTL are handed over to POWERGRID for maintenance. These initial spares are well maintained in stores as per POWERGRID procedures and condition monitoring of the same is carried out periodically. In case of consumption/ shortage, either the company replenishes the consumed spares to POWERGRID or POWERGRID takes procurement action for replacement spares at the cost of the Company. Further, in case there is a problem in restoration of the system due to non-availability of spares, the availability of the same can be checked with other companies and can be taken on replenishment basis.

All mandatory spares are kept in stock. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

10. Physical Security of Assets

i. The Substations are provided boundary-wall with single entry point. Security guards are deployed at the main gate and at different strategic locations for surveillance.

ii. Transmission lines are spread across the country and no exclusive security is deployed. However, patrolling of the transmission line is scheduled in such a way that every tower of the line is checked at least three times in a year for 765 kV/ critical / vulnerable locations and at least two times in a year for 400kV lines. In case of any theft in transmission line the issue is taken-up with local authorities.

11. Cyber Security

Cyber threats to critical assets under operation due to use of Information Technology (IT) are well recognised. The company has put in place appropriate controls to minimise cyber risks to its operating assets.

11.1 Management Practices

The cyber security issues related to design, engineering, procurement, construction of transmission systems; Operation & Maintenance activities for transmission systems, SCADA, Automation, and Communication Systems are in compliance to the requirements of construction standards by CEA, Indian Electricity Grid Code, 2010 and framework specified under Information Technology Act, 2000. POWERGRID continuously maintains liaison with NCIIPC and CERT-IN, the statutory bodies established under Information Technology Act, 2000, with regard to specific cybersecurity threat inputs and expert guidance which are shared with all the transmission utilities.

11.2 Hierarchical Separation

The company uses best practices to ensure hierarchical separation between networks. Networks catering to core devices within substation environment are kept physically isolated from other office networks. All critical /IEDs within substation premises are kept in physically locked panel racks. Further, physical access to areas such as Control Rooms are restricted to authorised personnel through biometric/ card-based entry. USB based devices and data dongles on devices within the SAS network are disabled.

11.3 Traffic Confinement

Network Traffic from within SAS network is kept confined to within substation itself through properly implemented IP Subnets and routing with firewalls.

11.4 Role Based Access Control

Use of Engineering PC, Servers and HMIs is restricted to authorised operators with well-defined and implemented Role Based Access Control (RBAC) mechanisms. The identified operators are sensitised and trained to manage cybersecurity risks.

11.5 Audit Checks

Protection Relays and their configuration settings are routinely verified through specific audit checks. Company maintains appropriate liaison with OEMs and their personnel for ensuring security and integrity of various sub-systems including software.

12. Risk Analysis

12.1 Operating risk

The operating risk due to fault, earth quake, short circuit, falling or touching of trees, lightning strike, travelling wave, corona discharge, wind storm, rain, hail storm, cyclone, flood, over loading, single phase tripping, sitting of birds, grid separation, over and under voltage are part of business as usual scenario for a transmission service provider. The design, compliance with technical standards, quality plan, inspection and testing adequately covers the operating risk which is evident from the availability since commissioning of the project. Sound operatin and maintenance practices, adequate qualified/ skilled manpower, preventive maintenance, diagnostic testing, protection audits, healthy work culture, good T&P would ensure reliable operation of the scheme for decades to come. All mandatory spares are kept in stock and spare management ensures timely availability of required spares.

12.2 Availability of Spare Parts

The initial spares procured by the Company are handed over to POWERGRID for necessary maintenance to maintain required availability and reliability of the system. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

12.3 Cyber Security Risk

i. The possibility of an embedded hardware trojan flow if any/ malicious traffic/loss of software data integrity in transit are perceived as threats and addressed with best practiced control methods

ii. Manpower at the substation has received preliminary training and sensitisation for management cybersecurity risks. In view of features implemented as part of design, it can be stated with reasonable confidence that the assets at these stations are well secured and any operational risk due to cyber-attack is minimal due to isolation mechanisms in place.

12.4 Risk of Tower Failure

As a disaster management system, POWERGRID is having Emergency Restoration System (ERS) in different regions at strategic locations for both 400kV and 765kV system. POWERGRID is also having trained man power for erection of ERS system at the shortest interval of time. In case of requirement and depending upon the availability with POWERGRID, the ERS towers can be arranged, on chargeable basis, for timely restoration of the line.

13. Regulatory Aspects

13.1 Extension of License

As per Section 15 of the Electricity Act: '(8) A licence shall continue to be in force for a period of twenty-five years unless such licence is revoked'.

These 25 years are counted from the date of grant of license that includes construction period as well. However, the tenure of Transmission Service Agreement to operate the assets is for 35 years from the date of commercial operation. Therefore, to cover the gap it has been specifically provided in the license that, *'since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law.*

Regulation 13(2) of the CERC Transmission License Regulations states,

‘ (2) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence: Provided that when the licensee does not make an application for grant of licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life’.

As a general practice observed in the industry and considering the performance of the company since DOCO, there is no risk of non-extension of license after initial period 25 years.

13.2 Revocation of License

The reasons and process of revocation of license is clearly specified in Section 19 of the Electricity Act 2003 as follows:

Section 19.

(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:

a) Where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;

b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

c) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –

(i) To show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or

(ii) To make the deposit or furnish the security, or pay the fees or other charges required by his licence;

d) Where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.

(2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee,

revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.

(3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.

(4) The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.

(5) Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.

(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by that Commission for grant of licence'.

In view of above, it is most likely that license of the Company shall be extended in accordance with law.

13.3 Operation of Assets beyond TSA period

As per the RfP document and CERC order granting transmission license, the assets have been created by the company on Build, Own, Operate and Maintain (BOOM) basis. The substation land as well as Right of Way (not ownership but limited to related construction and O&M activities) and other statutory approvals belong to the company.

Though the Transmission License is granted for a period of 25 years initially, it can be extended as per various provisions of TSA and CERC Regulations.

The transmission lines are designed to provide a service life of more than 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years, the useful life can be extended even beyond 50 years, by carrying out required renovation works. The transmission lines associated with hydro projects may well be required beyond 50 years depending on evolution of the grid. If there is a grid, the 765 kV and 400 kV lines are indispensable. The right of way is always valuable and even after 50 years lines are usually refurbished, sometimes the voltage is stepped up, sometimes, multi-circuit patches are added.

The substation equipment is designed to provide a service life of 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years. However, the useful life can be extended beyond 35 years by carrying out required renovation works. The first 400 kV line built in early 1970s is still in service. Further, many assets of POWERGRID which have completed 30 years and more have been performing well in terms of availability

As per the CERC tariff regulation 2019-24, for the purposes of depreciation, the life of substation equipment is 25 years and that of transmission line is 35 years. Generally, the life of the equipment used is more than that. However, some equipment are replaced after useful life due to followings reasons for life extension of the projects.

i. Change in fault level

ii. Obsolescence of technology.

iii. Uneconomical to keep the equipment in service.

In view of above analysis, technical life of substation equipment can be extended to more than 35 years subject to proper maintenance like overhauling of CB, gasket replacement in transformer, etc. The technical life of transmission line can be considered up to 50 years.

In regard to the life of asset beyond the tariff period, the TSA provides for the following:

2.2.1Subject to Article 2.2.2 and Article 2.4, this agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.

The extant provisions of regulation 13(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulation, 2009 in this regard provide that if the transmission licensee (i.e. PWTL in this case) decides to undertake renovation and 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.

Presently, procedures in this regard are yet to be notified by CERC.

14. Insurance

PWTL has taken the insurance policy for its assets with effect from 01.11.2020. Prior to that the risk was covered by creating a self insurance reserve in the books of accounts.

15. Conclusion

15.1 The project was planned for evacuation of power from Gadarwara STPS of NTPC. The project comprises of four transmission lines and one substation.

The project has been successfully charged and declared under commercial operation as per details below:

Transmission lines (including any stations/ substations)	Line length (ckm)/ Transformation Capacity (MVA)	DOCO
As per the interim arrangement, LILO of existing Seoni-Bina 765kV S/C line at Gadarwara STPS would be established. At a later date, LILO portion would be delinked from Seoni-Bina 765 kV S/C line to restore the Seoni-Bina 765 kV S/C direct line, and the LILO portion would be extended to the Jabalpur 765/400 kV Pooling Station to form the proposed Gadarwara 765/400 kV Pooling Station to form the proposed Gadarwara-Jabalpur Pool 765 kV D/C line	30.552 ckm	30.11.2016
765 kV D/C Gadarwara STPS-Jabalpur Pool	173.922 ckm	31.05.2017
765 kV D/C Gadarwara STPS-New Pooling Station within the jurisdiction/ boundary of Warora	627.352 ckm	10.07.2018
LILO of both circuits of 400 kV D/C Wardha - Parli (PG) line at Warora* Pooling Station (Quad)	196.288 ckm	16.05.2018
Establishment of 2X1500 MVA 765/400 kV (New Pooling Station within the jurisdiction/boundary Warora)	3000 MVA	10.07.2018

The COD of the Project is 10.07.2018. The scheduled COD has been revised by the LTTCs to 10.07.2018.

15.2 The company has obtained all necessary statutory clearances like, approval under Section 68 of the Electricity Act, Authorization under Section 164 of the Electricity Act, Grant of Transmission License by CERC, Route approval by PTCC, GoI, Electrical Safety Clearance of CEA for construction commissioning and operation of the assets at its rated voltage.

15.3 The company entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The system has been constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per its standard procedures and protocols.

15.4 The company has entered into the agreement with POWERGRID for operation and maintenance of the substation along with the associated transmission lines and other post COD activities.

15.5 Mandatory spares for substations and transmission lines are maintained by PWTL and handed over to POWERGRID. In case of consumption of spares, the same are being replenished by PWTL or being procured by POWERGRID at the cost of PWTL. Also, in case of requirement, PWTL can request POWERGRID for ERS towers and depending on availability, it can be provided on chargeable basis.

15.6 Standard procedures for safety are followed during construction, testing, operation and maintenance to avoid any untoward incident.

15.7 The availability of PWTL has been reviewed and it has been observed that year-wise average availability of PWTL since commissioning of the project is more than 99.75% and during FY21, the average availability for Apr-20 to Sep-20 has been 99.88%. As per TSA, the target availability for claiming full transmission charges is 98% and maximum permissible limit for availing annual incentive is 99.75%.

15.8 As per TSA, the life of the project is required to be 35 years. However, with proper maintenance, necessary retrofitting/ over hauling the life of project can be extended upto 50 years.

Prepared by:

RAVINDER
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB
147, Bhagirathi Apartments,
Plot No. 13/1, Sector – 9, Rohini,
New Delhi – 110 085

___

Annexure-I

SUMMARY OF APPROVALS AND LICENCES

POWERGRID WARORA TRANSMISSION LIMITED

S No.	Approvals	Date of Issue	Authority
1	**Company Registration**	**05-08-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**05-08-2015**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
	1. 765 kV D/C Gadarwara STPS – Warora		
3(1)	50.731 ha for 765 KV D/C transmission line from Gadarwara to Warora (Maharashtra)	28-06-2017	GOI-Ministry of Environment, Forests and Climate Change
3(2)	165.528 ha for 765 KV D/C TL Gadarwara STPS to Warora (MP)	29-05-2017	APCCF, MP, Bhopal
	2. 765 kV D/C Gadarwara STPS – Jabalpur Line	No Forest	
	3. 400 kV D/C LILO of Wardha-Parli Line at Warora	No Forest	
4	**Approval under Section 68 of Electricity Act,2003**	**26-11-2014**	**Ministry of Power**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**11-04-2017**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power and Telecommunication coordination committee clearance**		
	1.765 kV D/C Gadarwara STPS – Warora		
8(1)	765 kV (HEX BUNDLE) Gadarwara-Warora Transmission line (RL 129.558)	29-01-2018	PTCC - Government of India
	2. 400 kV D/C LILO of Wardha-Parli		
8(2)	400 kV D/C LILO Line on Wardha-Parli Line for Warora S/s	12-03-2018	PTCC - Government of India
	3.765 kV D/C Gadarwara STPS - Jabalpur		
8(3)	765 kV D/C LILO Line on existing Seoni-Bina TL	18-11-2016	PTCC - Government of India
8(4)	765 kV D/C TL From Jabalpur Pooling S/s-Gadarwara (balance portion)	31-03-2017	PTCC - Government of India
9	**Railway Crossing**		
	1.765 kV D/C Gadarwara STPS – Warora Line		
9(1)	Mast No. 790/10/16 and 790/10/17 (35 years)	16-11-2017	Central Railway
9(2)	Mast No. 792/7-9 and 792/8-10 (35 years)	16-11-2017	Central Railway
9(3)	Mast No. 801B/27-28 and 802B/1-2 (35 years)	16-11-2017	Central Railway
9(4)	Mast No. 1012/11,1012/12 and 1012/3,4 (35 years)	12-06-2018	Central Railway
9(5)	Ch No. 63301	21-12-2017	South East Central Railway, Nagpur
9(6)	Ch No. 81350	21-12-2017	South East Central Railway, Nagpur

S No.	Approvals	Date of Issue	Authority
9(7)	Ch No. 29100	15-02-2018	South East Central Railway, Nagpur
9(8)	KM No.1247/1-2 b/w Chindwara-Jhilmili	21-12-2017	South East Central Railway, Nagpur
	2. 400 kV D/C LILO of Wardha-Parli Line	No Railway Crossing	
	3.765 kV D/C Gadarwara STPS – Jabalpur Line	No Railway Crossing	
10	**Road Crossing**		
	1.765 kV D/C Gadarwara STPS – Warora Line		
10(1)	NH-361 Chainage 508.493 village Sawangi	09-01-2018	National Highways Authority of India
10(2)	NH-44 at 68.078 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
10(3)	Nagpur-Mumbai Express Highway at Ch. 17600and 17700	23-01-2017	Maharashtra State Road Development Corporation Ltd
10(4)	NH-47 at Km 44+700 from RHS to LHS MH Section	30-05-2018	National Highways Authority of India
10(5)	NH-6 at Km 27.000 to 28.000 at village Bajargaon	18-12-2017	National Highways Authority of India
10(6)	NH-347 b/w km 98 andkm 99	18-05-2017	Ministry of Road Transport and Highways - GOI
-	***2.400 kV D/C LILO of Wardha-Parl Line***		
10(7)	NH-44 at 90.810 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
10(8)	NH-44 at 90.910 on Nagpur-Hydrabad Section	13-07-2017	National Highways Authority of India
-	***3.765 kV D/C Gadarwara STPS – Jabalpur Line***		
10(9)	NH-26 b/w km 357 andkm 358	07-04-2017	National Highways Authority of India
10(10)	NH-547 b/w km 205 andkm 206	18-07-2017	Ministry of Road Transport and Highways - GOI
11	**River Crossing**	No Major River Crossing in this lines	
12	**Powerline Crossing**		
	1.765 kV D/C Gadarwara STPS - Warora		
12(1)	132 kV D/C Ambazari- Amravati Line and Ambazari-Arvi Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(2)	220 kV D/C Abhijit-Wardha Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(3)	400 kV D/C Koradi-Wardha Line and Koradi-IEPL Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(4)	220 kV D/C Butibori(3)-Purti and Butibori(3)-Wardha Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(5)	220 kV D/C Butibori(3)-Purti and Purti-Bhugaon Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(6)	400 kV D/C Koradi- IEPL and IEPL - Warora Line	16-02-2017	Maharashtra State Electricity Transmission Co. Ltd
12(7)	132 kV D/C Hinganghat - Jam Line	26-09-2016	Maharashtra State Electricity Transmission Co. Ltd
12(8)	220 kV D/C Wardha-Warora Line	03-01-2017	Maharashtra State Electricity Transmission Co. Ltd

S No.	Approvals	Date of Issue	Authority
12(9)	220 kV Warora-Wardha Ckt I and Warora-Hinganghat Ckt II	26-09-2016	Maharashtra State Electricity Transmission Co. Ltd
12(10)	132 kV D/C Hinganghat - M/S ISMT Line	05-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(11)	400 kV D/C Mouda-Wardha Line	24-05-2016	Power Grid Corporation of India Ltd
12(12)	400 kV D/C Raipur-Wardha Line	30-05-2016	Power Grid Corporation of India Ltd
12(13)	765 kV D/C Raipur(Durg) - Wardha TL (Ckt 1 and 2)	30-12-2016	Power Grid Corporation of India Ltd
12(14)	765 kV D/C Raipur(Durg) - Wardha TL (Ckt III and IV)	28-12-2016	Power Grid Corporation of India Ltd
12(15)	765 kV S/C Tiroda-Koradi CKt-I Line	02-05-2017	Maharashtra Eastern Grid Power Transmission Co. Ltd
12(16)	765 kV S/C Tiroda-Koradi CKt-II Line	02-05-2017	Maharashtra Eastern Grid Power Transmission Co. Ltd
12(17)	220 kV S/C Kalmeshwar - Pandhurna Line	26-04-2018	Maharashtra State Electricity Transmission Co. Ltd
12(18)	400 kV S/C Seoni-Sarni Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(19)	220 kV D/C Seoni - Chhindwara Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(20)	132 kV D/C Seoni - Chhindwara Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(21)	132 kV D/C Chhindwara - Bicchua Line	23-03-2017	Madhya Pradesh Power Transmission Co. Ltd
12(22)	400 kV D/C Koradi II - Koradi III (Tidangi) Line	08-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(23)	132 kV S/C Kalmeshwar - Katol Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(24)	220 kV S/C Ambazari - Amravati Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(25)	400 kV S/C Koradi - Indiabull (Ckt-II) Line	04-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(26)	400 kV S/C Koradi - Bhusawal (CKt-II) Line	07-07-2017	Maharashtra State Electricity Transmission Co. Ltd
12(27)	132 kV Chichili - Karapgaon Line	10-04-2017	Madhya Pradesh Power Transmission Co. Ltd
-	***2.765 kV D/C Gadarwara STPS - Jabalpur***		
12(28)	220 kV D/C Jabalpur-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(29)	132 kV S/C Jabalpur-Shrinagar-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(30)	132 kV DCDS Shahpura LILO Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(31)	132 kV Chichili-Karapgaon Line	07-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(32)	132 kV Narsinghpur-Devnagar Line	12-01-2017	Madhya Pradesh Power Transmission Co. Ltd
-	***3.400 kV D/C LILO of Wardha-Parli***		
12(33)	220 kV D/C Bhugaon-Pusad Line (Loc 42-43)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(34)	220 kV D/C Bhugaon-Pusad D/C Line (Loc 2/1-2/2)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(35)	220 kV D/C Bhugaon-Pusad D/C Line (Loc 39-40)	24-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(36)	400 kV D/C Wardha-Warora D/C Line (Loc 112-113)	03-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(37)	400 kV D/C Wardha-Warora D/C Line (Loc 109-111)	03-01-2017	Maharashtra State Electricity Transmission Co. Ltd
12(38)	220 kV D/C Deoli-Ghatodi	02-03-2017	Maharashtra State Electricity Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission line**		

S No.	Approvals	Date of Issue	Authority
	1.765 kV D/C Gadarwara STPS - Warora		
13(1)	NOC ID : NAGP/WEST/P/042617/214700	18-05-2017	Airports Authority of India
13(2)	NOC ID : NAGP/WEST/P/042617/214700/2	18-05-2017	Airports Authority of India
13(3)	NOC ID : NAGP/WEST/P/042617/214700/3	18-05-2017	Airports Authority of India
13(4)	NOC ID : NAGP/WEST/P/042617/214700/4	18-05-2017	Airports Authority of India
13(5)	NOC ID : NAGP/WEST/P/042617/214700/5	18-05-2017	Airports Authority of India
13(6)	NOC ID : NAGP/WEST/P/042617/214700/6	18-05-2017	Airports Authority of India
13(7)	NOC ID : NAGP/WEST/P/042617/214700/7	31-05-2017	Airports Authority of India
13(8)	NOC ID : NAGP/WEST/P/042617/214700/8	01-06-2017	Airports Authority of India
13(9)	NOC ID : NAGP/WEST/P/042617/214700/9	31-05-2017	Airports Authority of India
13(10)	NOC ID : NAGP/WEST/P/042617/214700/10	31-05-2017	Airports Authority of India
13(11)	NOC ID : NAGP/WEST/P/042617/214700/11	31-05-2017	Airports Authority of India
13(12)	NOC ID : NAGP/WEST/P/042617/214700/12	31-05-2017	Airports Authority of India
13(13)	NOC ID : NAGP/WEST/P/042617/214700/13	31-05-2017	Airports Authority of India
13(14)	NOC ID : NAGP/WEST/P/042617/214700/14	31-05-2017	Airports Authority of India
13(15)	NOC ID : NAGP/WEST/P/042617/214700/15	23-01-2018	Airports Authority of India
13(16)	NOC ID : NAGP/WEST/P/042617/214700/16	31-05-2017	Airports Authority of India
13(17)	NOC ID : NAGP/WEST/P/042617/214700/17	31-05-2017	Airports Authority of India
13(18)	NOC ID : NAGP/WEST/P/042617/214700/18	08-06-2017	Airports Authority of India
13(19)	NOC ID : NAGP/WEST/P/122817/271674	19-01-2018	Airports Authority of India
	2.400 kV D/C LILO of Wardha-Parli at Warora	**Not Required**	
14	**Defence Clearance- NOC from aviation angle for construction**		
	1. 765 kV D/C Gadarwara STPS - Warora		
14(1)	765 kV Gadarwara to Warora (Hexa)	02-05-2017	Ministry of Defence
14(4)	765 kV D/C Gadarwara-Warora Transmission Line	02-07-2018	Ministry of Defence
	2. 400 kV D/C LILO of Wardha-Parli at Warora		
14(2)	400 kV 2* D/C LILO of Both Circuits Wardha-Parli	27-06-2017	Ministry of Defence
	3.765 kV D/C Gadarwara STPS - Jabalpur		
14(3)	765 kV D/C Gadarwara to Jabalpur	05-01-2017	Ministry of Defence
15	**Transmission service agreements**	**09-02-2015**	
16	**Approval for adoption of Tariff (35 years)**	**23-06-2015**	**Central Electricity Regulatory Commission**

Annexure-II

POWERGRID WARORA TRANSMISSION LIMITED (PWTL)													
COD of the Project: 10.07.2018													
FY19	**Month**				**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Avg**
	Availability				99.29	99.98	99.95	99.97	99.85	99.99	100.00	99.86	99.64	99.84
FY20	**Month**	**Apr-19**	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Avg**
	Availability	99.43	99.63	99.79	99.95	99.75	100.00	99.92	99.71	99.87	99.81	100.00	99.90	99.81
FY21	**Month**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**							**Avg**
	Availability	100.00	99.74	99.71	99.92	100	99.93							99.88

Technical Due Diligence Report
POWERGRID PARLI TRANSMISSION LIMITED (PPTL)

2x1500 MVA, 765/400kV Parli New S/S

Ravinder
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB

November 2020

Contents

Abbreviations/ Acronyms

S.No.	Abbreviation/ Acronym	Description
1.	AC	Alternating Current
2.	ACDB	Alternating Current Distribution Board
3.	ACSR	Aluminium Conductor Steel-Reinforced
4.	ADB	Asian Development Bank
5.	BIL	Basic Insulation Level
6.	BIS	Bureau of Indian Standards
7.	BOOM	Build Own Operate and Maintain
8.	BPC	Bid Process Coordinator
9.	CB	Circuit Breaker
10.	CEA	Central Electricity Authority
11.	CERC	Central Electricity Regulatory Commission
12.	CERT-IN	Computer Emergency Response Tram- India
13.	ckt	Circuit
14.	cm	centimetre
15.	COD	Commercial Operation Date
16.	CPRI	Central Power Research Institute
17.	CT	Current Transformer
18.	CTU	Central Transmission Utility
19.	CVT	Capacitive Voltage Transformers
20.	D/C	Double Circuit
21.	DA type of tower	Double Circuit A Type Tower
22.	DB type of tower	Double Circuit B Type Tower
23.	DC	Direct Current
24.	DC type of tower	Double Circuit C Type Tower
25.	DCDB	Direct Current Distribution Board
26.	DD type of tower	Double Circuit D Type Tower
27.	DG Set	Diesel Generator Set
28.	DISCOM	Distribution Company
29.	DOCO	Date of Commercial Operation
30.	DTPC	Digital Tele Protection Coupler
31.	EMF	Electro Magnetic Field
32.	ERS	Emergency Restoration System
33.	FY	Financial year
34.	gm	gram
35.	GoI	Government of India
36.	GPS	Global Positioning System
37.	GS	Galvanized Steel
38.	HMI	Human Machine Interface
39.	Hz	Hertz
40.	ICT	Inter Connecting Transformer
41.	IEC	International Electrotechnical Commission
42.	IEDs	Intelligent Electronic Devices
43.	IEEE	Institute of Electrical and Electronics Engineers

S.No.	Abbreviation/ Acronym	Description
44.	IEGC	Indian Electricity Grid Code
45.	InvIT	Infrastructure Investment Trust
46.	IP	Internet Protocol
47.	IS	Indian Standards
48.	ISO	Indian Standards Organization
49.	IT	Information Technology
50.	kA	Kilo Ampere
51.	kg	kilogram
52.	km	kilometre
53.	km/hr	kilometre Per Hour
54.	kN	kilo Newton
55.	kV	kilo Volt
56.	kVA	kilo Volt Ampere
57.	kVp	kilo Volt Peak
58.	LT	Low Tension
59.	m	meter
60.	m^2	square meter
61.	m/sec	metres per second
62.	Max	Maximum
63.	MHz	Megahertz
64.	min	Minimum
65.	mm	millimeter
66.	ms	millisecond
67.	MVA	Mega Volt Ampere
68.	MVAR	Mega Volt Ampere Reactive
69.	NCIIPC	National Critical Information Infrastructure Protection Centre
70.	NGR	Neutral Grounding Reactor
71.	NTPC	NTPC Limited
72.	O&M	Operation and Maintenance
73.	OEM	Original Equipment Manufacturer
74.	OPGW	Optical Ground Wire
75.	p.u	per unit
76.	PDC	Phasor Data Concentrators
77.	pF	picofarad
78.	PG	POWERGRID
79.	PLCC	Power Line Carrier Communication
80.	PMU	Phasor Measurement Unit
81.	POSOCO	Power System Operation Corporation Limited
82.	POWERGRID	Power Grid Corporation of India Limited
83.	PPTL	POWERGRID Parli Transmission Limited
84.	PTCC	Power and Telecommunication Coordination Committee
85.	RBAC	Role Based Access Control
86.	RCC	Reinforced Cement Concrete
87.	RECTPCL	REC Transmission Projects Company Limited

S.No.	Abbreviation/ Acronym	Description
88.	RfP	Request for Proposal
89.	RLDC	Regional Load Dispatch Centre
90.	rms	Root Mean Square
91.	RPC	Regional Power Committee
92.	S/C	Single Circuit
93.	S/S	Substation
94.	SA	Surge Arresters
95.	SAS	Sub Station Automation System
96.	SCADA	Supervisory Control and Data Acquisition
97.	SDH	Synchronous Digital Hierarchy
98.	SEB	State Electricity Board
99.	SF6	Sulphur Hexa Fluoride
100.	SFQP	Standard Field Quality Plan
101.	SOP	Standard Operating Procedure
102.	SPV	Special Purpose Vehicle
103.	sq	square
104.	STPS	Super Thermal Power Station
105.	T&P	Tools and Plants
106.	TBCB	Tariff Base Competitive Bidding
107.	TSP	Transmission Service Provider
108.	USB	Universal Serial Bus

POWERGRID PARLI TRANSMISSION LIMITED (PPTL)

Technical Due Diligence Report

EXECUTIVE SUMMARY

Background

POWERGRID Parli Transmission Limited (‘Project Company’/‘Company’/‘Project’) is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). PPTL, set up as a SPV for development of transmission scheme, ‘*Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B)*’ was acquired by POWERGRID under TBCB mechanism on build, own, operate and maintain (BOOM) basis.

POWERGRID is India’s Central Transmission Utility and the largest power transmission utility in the country. It is also one of the largest transmission utilities of the world. Including PPTL, it presently owns 19 wholly owned subsidiaries acquired under TBCB mechanism. Each of these subsidiaries was set up as a SPV for executing a specific transmission project and was acquired by POWERGRID under TBCB mechanism. Out of the total 19 subsidiaries, eight are operational and balance eleven are under construction phase.

Mr. Ravinder has been appointed as Independent Engineer (IE) by POWERGRID Unchahar Transmission Limited, a wholly owned subsidiary of POWERGRID, for Technical Due Diligence of the above transmission Project.

Project Description

The Transmission System Strengthening was planned for the evacuation and supply of power from the Gadarwara STPS, of NTPC, to the beneficiaries of the generation project facilitating immediate evacuation as well as supply of power to its beneficiaries with reliability and security. The project includes Gadarwara STPS – Jabalpur Pool 765 kV D/C line, Gadarwara STPS – Warora Pool-Parli-Solapur 765 kV D/C line and was split into two parts viz. Part A and Part B. The instant project pertains to Part B.

Ministry of Power, Government of India has notified REC Transmission Projects Company Limited (RECTPCL) to be the Bid Process Coordinator (BPC), who invited bids for selection of Transmission Service Provider (TSP) based on ‘Tariff Based Competitive Bidding Guidelines for Transmission Services’. POWERGRID was selected as TSP for executing the Scheme “Transmission System Associated with Gadarwara STPS (2 x 800 MW) of NTPC (Part-B)” consisting of 765/400 kV Substation, 765 kV and 400 kV transmission lines. The Project was executed by the SPV, POWERGRID Parli Transmission Limited (PPTL).

The Transmission System executed by the SPV consists of:

a) 765 kV D/C Warora (Pooling Station) – Parli (New) line
b) 765 kV D/C Parli (New) - Solapur line
c) 400 kV D/C Parli (New) – Parli (PG) line
d) Establishment of 2x1500 MVA, Parli (New) S/S

The Transmission Service Agreement (TSA) was signed between seven (7) Long Term Transmission Customers (LTTCs) and Gadarwara (B) Transco Limited (erstwhile name of POWERGRID Parli Transmission Limited), Maharashtra State Electricity Distribution Company Limited (MSEDCL) being the Lead Long Term Customer. According to the TSA, scheduled COD of the project was January, 2018, which has been revised by the LTTCs to 04.06.2018.

PPTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The Project was implemented through multiple supply and erection contracts with various agencies which mainly included supply contracts for substation equipment, tower, conductor and insulator and contracts for substation civil works, tower erection and stringing.

The Substation and Transmission Lines have been designed as per relevant IS/IEC Standards. Further, the erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per its standard procedures and protocol.

The date of grant of approval from CEA for the elements and date of commercial operation after successful trial operation are as follows:

S.No.	Element	CEA Energization Approval	DOCO
1	765 kV D/C Parli (New)- Solapur line	WRIO/MAH-PGCIL/SOL-PARLI/B-330/DD/2017-18/382-83 dt.13.04.2018	27.04.2018
2	400 kV D/C Parli (New)- Parli (PG) line	WRIO/MAH-PGCIL/Parli-Parli/B-331/DD/2017-18/384-85 dt.13.04.2018	27.04.2018
3	Establishment of 2x1500 MVA, Parli (New) S/S	WRIO/MAH-PGCIL/Parli SS/A-3219/DD/2018-19/388-89 dt.18/04/2018	27.04.2018
4	765 kV D/C Warora (Pooling Station)-Parli (New) line	CEI/3/EI/RIO(W)/INSP/2018/Camp dt.10.05.2018	04.06.2018

PPTL entered into an agreement with POWERGRID for post COD activities including Operation and Maintenance activities for effective O&M of the substation and transmission lines. Additionally, regular trainings are being conducted for O&M personnel on the latest techniques for effective maintenance of substation the transmission lines.

This Technical Due Diligence Report including the observations and recommendations of IE is based on the review of the Technical Specifications, Material Quality Plan, Type Test Certificates, Field Quality Plan, operation and maintenance procedures, cyber security procedures, communication systems, environment and safety, and risk aspects of the Project. The Technical Due Diligence Report evaluates all aspects related to technical suitability, clearances, quality, maintenance, environment, safety, and identifies risks, if any in operation of the Project during its useful life. The report comprises of the following sections:

Section-1: Introduction

This Section presents a brief introduction of the Project.

Section-2: Transmission License

Details of Transmission License including the validity of the License and conditions of the License throughout the period of the License are discussed in this Section.

Section-3: Project

Substation Equipment

Design aspects of the Substation equipment like Circuit Breaker, Isolator, Current Transformer, Protection and Control etc. including the switching scheme are discussed in detail. Further, the Insulation Coordination aspect is also discussed in this Section.

Transmission Lines

Technical details of Towers including Classification of Towers, Conductor, Earthwire, OPGW, Insulators, etc. have been described in this Section.

Section-4: Communication System

Details about the communication system requirement as per IEGC and its compliance by the Company have been described in this Section.

Section-5: Environment and Safety

This Section covers the environment and social aspects of the Project. The practices adopted by the Company for maintaining Environment, Health and Safety aspects in relation to the project are discussed in this Section.

Section-6: Quality Control

The quality aspects of the project like compliance to design parameters, conformance of the tests to various Indian and International Standards, Standard Field Quality Plans during execution of project etc. is discussed in this Section.

Section-7: Operation and Maintenance

The philosophy followed for operation and maintenance of the Project has been described in this Section.

Section-8: Availability of the Project

The performance of project in terms of availability is assessed in this Section.

Section-9: Spares Part Management

The philosophy of spare part management is described in this Section.

Section-10: Physical Security of Assets

The security aspect of the Project has been described in this Section.

Section-11: Cyber Security

Various aspects of cyber security measures have been discussed in this Section.

Section-12: Risk Analysis

The assessment of risks associated with the project has been carried out in this Section under various relevant heads.

Section-13: Regulatory Aspects

The regulatory aspects of the project like Extension of License, Revocation of License, Operation of Assets beyond 35 years, Technical life assessment and aspects related to tariff beyond 35 years have been discussed in this Section.

Section-14: Insurance

The aspects related to insurance of the project has been discussed in this Section.

Section-15: Conclusion

The findings of the IE have been summarised and presented in this Section.

As per the specifications provided by POWERGRID, the Substation, transmission lines and towers have been designed, installed and tested in accordance with relevant Standards. The design has also met statutory requirements such as the Indian Electricity Rules, Indian Factory Act and Indian Electricity Grid Code etc. IE is of the opinion that comprehensive Quality Assurance Plan is being followed, the final design and specifications of equipment/ systems installed in the substation and transmission lines are in line with the technical specifications, drawings and documents have been reviewed and approved by POWERGRID.

IE reviewed the status of various approvals and clearances. PPTL has obtained all major permits and clearances.

IE is of the opinion that PPTL has taken adequate measures for management of the complete project for supervision of various contract packages during the construction phase.

IE is of the opinion that the O&M organization set-up is adequate and the O&M philosophy is effective in achieving the target availability.

1. Introduction

Transmission System Strengthening was planned for the evacuation and supply of power from the Gadarwara STPS to the beneficiaries of the generation project which include 765 kV D/C Gadarwara STPS – Jabalpur Pool line and 765 kV D/C Gadarwara STPS – Warora Pool – Parli – Solapur line. This transmission system strengthening facilitated immediate evacuation as well as supply of power to its beneficiaries with reliability and security. Beyond Solapur, dispersal of power to the beneficiaries of the generation project was to be through existing/planned transmission network under ISTS. The Transmission System had been split into two parts viz. Part A and Part B. Transmission System Associated with Gadarwara STPS (2x800 MW) both part-A and Part-B Transmission System were to be implemented in the same time frame.

The transmission scheme was agreed in the 36th Standing Committee meeting on Power System Planning of Western Region held on 29.08.2013 and approved by the Government of India for TBCB vide 32nd meeting of the Empowered Committee on Transmission held on 17.01.2014 at CEA, New Delhi.

RECTPCL was notified by Ministry of Power, The Government of India, vide notification No. 15/1/2013-Trans dated 08.07.2014 as the BPC for the purpose of selection of bidder as TSP to establish *'Transmission System associated with Gadarwara STPS (2x800 MW) of NTPC Part-B'* on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding. A Special Purpose Vehicle (SPV), 'Gadarwara(B) Transmission Ltd.' was incorporated on 30.07.2014 by RECTPCL as its wholly owned subsidiary to initiate work on the project. RECTPCL invited bids from the prospective bidders and POWERGRID emerged as the successful bidder with the lowest annual levelized transmission charges of Rs. 2567.26 million.

LoI was issued on 11.03.2015 and the SPV, Gadarwara(B) Transmission Ltd., was acquired by POWERGRID on 24.04.2015 with scheduled COD as January, 2018 for the Project.

Overall system design including transmission line and substation has been done by POWERGRID as part of the consultancy assignment given by the Company. The design of various towers used in the transmission lines were developed in-house. The type tested designs of POWERGRID complying to CEA's technical standards, regulations and relevant Indian standards have been deployed. Protection setting coordination has been finalised by POWERGRID.

Complete quality control plan during various stages of manufacturing, erection, factory and site testing has been as per POWERGRID standard quality control plan. The system has been designed and constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols. POWERGRID has standard pre-commissioning documents for substation equipment, transformer/ reactors, protection system and transmission lines. The components have been designed, manufactured, transported, stored, erected, tested and commissioned in compliance with relevant Indian and International Standards.

All relevant statutory technical clearances are in place, including the following:

i. Approval under Section 68 of the Electricity Act
ii. Authorisation under Section 164 of the Electricity Act

iii. Grant of Transmission License by CERC
iv. Route approval by PTCC, GoI
v. Electrical Safety Clearance of CEA

List of all relevant approvals and clearances is placed at Annexure-I

The details of the Project Elements of PPTL are as follows:

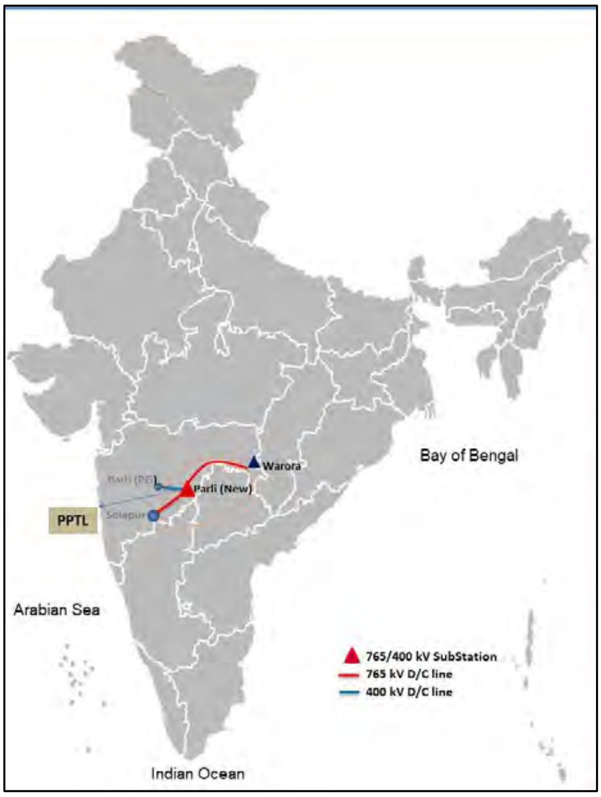
S.No.	Transmission System Associated with PPTL			
	Project Elements	**Route length (km)/ Line length (ckm)**	**Conductor**	**Actual COD**
1	765kV D/C Warora (Pooling Station) – Parli (New) line	346.851 km 693.702 ckm	Hexa Zebra: Stranding 54/3.18 mm-A1 + 7/3.18 mm – Steel, 428 sq mm, Aluminium area, 28.62 mm diameter	04.06.2018
2	765kV D/C Parli (New) – Solapur line	117.958 km 235.916 ckm		27.04.2018
3	400 kV D/C Parli (New) – Parli (PG) line	18.25 km 36.50 ckm	Quad Moose: Stranding 54/3.53 mm-A1 + 7/3.53 mm – Steel, 528.5 sq mm, Aluminium area, 31.77 mm diameter	27.04.2018
4	Establishment of 400/765 kV Substation 2x1500 MVA, Parli (New) S/S. 765 kV – ICTs :7X500MVA 765/400kV (One Spare Unit) – ICT Bays: 2 Nos. – Line Bays: 4 Nos. – Bus Reactor: 3X110 MVAR – Bus Reactor Bays: 1 Nos. – Line Reactors: 7X110 MVAR (one spare unit) along with associated NGR and its auxiliaries (for Warora PS - Parli (New) 765 kV D/C line) – Space for 765kV Bays: **400 kV** – ICT Bays: 2 Nos. – Line Bays: 2 Nos. Spare for 400 kV Bays: 4 Nos	-	–	27.04.2018

According to the LoI, the scheduled COD of the Project was January, 2018. The delay in commissioning of the system with respect to the scheduled COD is mainly due to force majeure events and other reasons beyond control, such as; severe right of way issues due to notification of land compensation by Govt. of Maharashtra, civil suits filed in district and High Courts of Maharashtra, local unrest and obstruction of work and Writ Petitions by land owners etc. The LTTCs have condoned the delay in commissioning of the project and a supplementary agreement has been signed with LTTCs extending the timelines for project completion to 04.06.2018.

As per the TSA executed with the Long Term Transmission Customers (LTTCs), the expiry date of TSA is 35 years from scheduled COD of the project. Considering the revised scheduled COD of 04.06.2018 for the Project, the remaining period of the TSA with LTTCs is 32.51 years.

PPTL, in accordance with the Sharing Regulations of CERC, entered into Revenue Sharing Agreement (RSA) and Transmission Service Agreement (TSA) with CTU. The transmission charges are collected in accordance with the billing, collection and disbursement procedure set out in the TSA with CTU and disbursed to PPTL.

Project Location Map



2. Transmission License

Central Electricity Regulatory Commission New Delhi in Petition No. 128/TL/2015 granted transmission license to Gadarwara (B) Transco Limited, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi 110 016 vide order dated 10.07.2015. The name of the Project Company was later changed to POWERGRID Parli Transmission Limited.

The grant of transmission licence to the petitioner is subject to the fulfilment of following conditions throughout the period of licence:

(a) *The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;*

(b) *The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence.*

(c) *Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;*

(d) *The petitioner shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;*

(e) *The petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;*

(f) *The petitioner shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;*

(g) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.*

(h) *The petitioner shall 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;*

(i) *The petitioner shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;*

(j) *The petitioner shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;*

(k) *The petitioner shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and*

(l) *The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 27.06.2015.*

3. Project

PPTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project.

3.1 Substation

3.1.1 General Information

S.No.	Description	Details
1	Location of Parli substation	765/400 kV Parli S/s Vill.- Ambajagoi, Dist.- Beed (Maharashtra)- 431523
2	Area of Substation	66.71 acre
3	Substation Packages award and commissioning details	
a)	Substation Package	i) Contractor: Siemens India
b)	Transformer package	i) Contractor: Transformers and Rectifiers India Ltd ii) Scope: 7X500MVA, 765/400/33 kV, 1-Phase Auto transformer
c)	Reactor package	i) Contractor: ABB India Ltd ii) Scope: 10X110MVAR, 765/√3 kV, 1-Phase Shunt Reactor (including one number as spare)
4	Common Facilities	Following Common facilities were available i) One 800 kVA, 33/0.4 kV LT transformer connected with dedicated SEB Supply ii) One 800 kVA, 33/0.4 kV LT transformer connected with tertiary of 1500MVA, 765/400/33kV autotransformer iii) Power Back up by 500 kVA DG Set Following facilities were available a) Transit camp b) Closed Store c) Open Store

3.1.2 Design of Substation Equipment

S.No.	Description of Parameters	765 kV System	400 kV System
1.	System operating voltage	765 kV	400 kV
2.	Maximum operating voltage of the system(rms)	800 kV	420 kV
3.	Rated frequency	50 Hz	50 Hz
4.	No. of phase	3	3
5.			
i)	Impulse withstand voltage for (1.2/50 microsec.) -Transformer and reactors - for other equipment	 1950 kVp 2100 kVp	 1300 kVp 1425 kVp (1550 kVp for Insulator String)
ii)	Switching impulse withstand voltage	1550 kVp	1050 kVp

S.No.	Description of Parameters	765 kV System	400 kV System
	(250/2500 micro sec.) dry and wet		
iii)	One minute power frequency dry withstand voltage(rms)	830 kV	630 kV
iv)	One minute power frequency dry and wet withstand voltage (rms)	-	-
6.	Corona extinction voltage	508 kV	320 kV
7.	Max. radio interference voltage for frequency between 0.5 MHz and 2 MHz	2500 micro-volts at 508 kV rms	1000 micro-volt at 266 kV rms
8.	Minimum creepage distance (25mm/kV)	20000 mm	10500 mm
9.	Max. fault current	50 kA	50 kV
10.	Duration of fault	1 sec	1 sec

3.1.3 Insulation Coordination

The 800 kV and 420 kV system is designed to limit the switching surge over Voltage of 1.9 p.u. and 2.5 p.u., respectively and is expected to decay to 1.5 p.u. in 5 to 6 cycles. Consistent with these values and protective levels provided by lightning arrestors, the insulation levels are adopted for 800 kV and 420 kV systems.

3.1.4 Switching Scheme

It is essential that the system should remain secure even under conditions of major equipment or bus-bar failure. Substations being the main connection points have large influence on the security of the system as a whole. The selection of the bus switching scheme is governed by the various technical and other related factors.

One and Half breaker bus scheme for 765 kV and 400 kV have been provided due to their merits in terms of reliability, security, operational flexibility and ease of maintenance of equipment.

3.1.5 Circuit Breakers

The circuit breakers and accessories conform to IEC: 62271-00, IEC: 62271- 01 and are of SF6 Type. The rated break time shall not exceed 40 ms for 420 kV and 800 kV circuit breakers. 800 kV and 420 kV Circuit breakers are provided with single phase and three phase auto reclosing. The Circuit breakers controlling 800 kV and 420 kV lines are provided with pre-insertion closing resistor of about 450 ohms maximum with 8 ms minimum insertion time. The short line fault withstand capacity is same as the rated capacity and this is proposed to be achieved without use of opening resistors. 800 kV and 400 kV Circuit Breaker have been equipped with controlled switching device for controlling of transformer and shunt reactor. The controlled switching device has been provided in circuit breaker of switchable line reactor and in main and tie circuit breakers of transformers, line with non-switchable line reactors and bus reactors.

3.1.6 Isolators

The isolators comply with IEC 62271-102 in general. 800 kV isolator is knee-type. 420 kV isolators are double break type, all isolators and earth switches are motor operated. Earth switches are provided at various locations to facilitate maintenance. Isolators rated for 420 kV and 800 kV are of extended mechanical endurance class - M2 and all earth switches are class M0 as per IEC-62271-102.

Main isolator blades and earthing blades are interlocked and interlock is electrically interlocked fail-safe type. 800 kV and 420 kV earth switches for line isolator are suitable for induced current switching duty as defined for Class-B and short circuit making capability class E0.

3.1.7 Current Transformers

Current Transformers comply with IEC 60044-1 in general. All ratios are obtained by secondary taps. Current Transformers (CT) for 420 kV and 800 kV have six cores (four for protection and two for metering). The burden and knee point voltages are in accordance with the requirements of the system including possible feeds for telemetry. Accuracy class for protection core is PS and for metering core it is 0.2S.

3.1.8 Capacitor Voltage Transformers

Capacitive voltage transformers comply to IEC-60044-5 in general. They have three secondaries out of which two are used for protection and one for metering. Accuracy class for protection cores is 3 P and 0.5 and for metering core is 0.2. The voltage transformers on lines are suitable for carrier coupling. The capacitance of CVT is 4400/8800 pF depending on PLCC requirements. 800kV Line CVTs are of 8800pF.

3.1.9 Surge Arresters

Station class current limiting, heavy duty gapless type surge arresters conforming to IEC 60099-4 in general have been provided. The rated voltage of surge arrester (624 kV for 765 kV system and 336kV for 400 kV system) and other characteristics are chosen in accordance with system requirements. Surge arresters have been provided near line entrances, transformers and reactors so as to achieve proper insulation coordination. Porcelain housing of surge arrester is fitted with pressure relief devices and diverting ports suitable for preventing shattering of porcelain housing providing path for the flow of rated currents in the event of arrestor failure.

3.1.10 Substation Support facilities

Support facilities required for operation and maintenance of substations have been provided.

i. For LT Supply at each new Substation, two (2) nos. 800 kVA LT Transformers shall be provided out of which has been connected with Discom supply and the other connected to tertiary of 765/400 kV transformer.
ii. 2 Nos. batteries of 220V for control and protection and 2 Nos. 48V batteries for PLCC/ Communication equipment provided at the substation. Each battery bank has a float-cum-boost charger. Battery is of VRLA type and adequate ampere-hour rating.
iii. Suitable AC and DC distribution boards and associated LT Switchgear has been provided.
iv. One no. 500 KVA DG set has been provided for emergency applications.

v. Sizing of Auxiliary system (like battery charger, LT switchgear) has been done considering future bay requirements to avoid replacement in future with higher sizes.

vi. Adequate space in the building has been considered for ACDB/ DCDB panels for future bays.

3.1.11 Protection and Control

i. General

The substation is provided with control, relaying and monitoring functions along with substation automation system based on IEC 61850 protocol using fiber optic network. The communication and tele-protection with adjacent connected substations are through digital protection coupler via SDH and OPGW communication.

The state of art protection system based on numerical technology has been provided for transformers, reactors, transmission lines and bus bars to minimize the damage to equipment in the event of fault. These protective relays are with self-diagnostic feature and conforming to latest IEC 61850 for communication purposes for communicating the detailed list of events recoded by these relays in the event of fault or any abnormal conditions. Relays are equipped with in built fault recorder which can record analogue as well as digital information for analysis of fault.

ii. Auto Transformers and Reactors

Auto transformers and reactors are provided with the following protections:

a. Differential protection
b. Restricted earth fault protection
c. Back-up impedance/ overcurrent, earth fault protection

Besides these, transformers and reactors are also provided with Buchholz relay, protection against oil and winding temperatures and pressure relief device.

iii. Transmission Line Protection

765 kV and 400 kV lines have MAIN-I protection and also have numerical distance protection scheme carrier as three zone distance type with carrier aided inter-tripping feature. All lines also have MAIN-II protection which has numerical distance protection scheme like Main-I but of different make than MAIN-I. Distance Relays (Main-I and Main -II) are also provided with two stage over voltage protection. Further, all lines are provided with single and three phase auto-reclosing facility to allow reclosing of circuit breakers in case of transient faults. Distance relays are also provided with fault locators.

iv. Bus-Bar Protection

The high-speed bus bar differential protection which is essential to minimize the damage and maintain system stability at the time of bus bar faults has been provided for 765kV and 400 kV buses. Bus bar protection scheme is such that it operates selectively for each bus and incorporates necessary features required for ensuring security. The scheme has the provision for future expansion.

v. Local Breaker Backup Protection

This is provided for 765kV and 400kV circuit breakers at the substation to de-energize the affected stuck circuit breaker from both sides. It operates after a pre-set time delay in the event of a fault if the designated circuit breaker fails to open.

3.1.12 Phasor Measurement Units (PMU)

The substation is equipped with state-of-the-art phasor monitoring units. A phasor is a complex number that represents both the magnitude and phase angle of the sine waves found in electricity. Phasor measurements that occur at the same time over any distance are called "synchrophasers" Phasor measurement units are sampled from widely dispersed locations in the power system network and synchronized with the common time source (GPS) and communicated through optic fibre network to Phaser Data Concentrators (PDC) located at Load Dispatch Centres. Synchrophasor technology provides a smart tool for system operators and planners to measure the state of the electrical system (over many points). PMUs measure critical parameters. India has one of the largest synchrophaser network in the world. Its varied applications in real-time grid operation, identifying cause of grid disturbance at initial stage, condition monitoring of grid elements and data analytics have empowered the grid operators, facilitated secure grid operation as well as accurate and prompt analysis of grid disturbances.

3.1.13 Substation Automation System (SAS)

Distributed architecture has been used for substation automation system where the controls are provided through bay control unit and it complies as per IEC 61850. Bay control units are provided bay wise for voltage level 765 kV and 400 kV. All bay control units as well as protection units are normally connected through an optical fibre high speed network. The control and monitoring of substation elements such as circuit breaker, disconnector, resetting of relays etc. are being done from Human Machine Interface (HMI) from the control room. SAS is equipped with the facility of remote operation. By providing remote HMI and suitable communication link, the substation can be controlled from a remote location. The functions of control, annunciation, disturbance recording, event logging and measurement of electrical parameters has been integrated in Substation Automation System. The SAS has been provided with the facility of communication and control for remote operation.

3.1.14 Fire Protection System

Fire protection system inside the substation as per statuary requirement is provided. Considering criticality, High Velocity Water Spray based fire protection system is provided for all oil filled equipment (transformer and reactors). Sufficient capacity of water is stored in water storage tank to meet the requirement of firefighting. For pumping of this water from water tank, redundant pumps are provided in firefighting pump house building. The water lines are always kept pressurised with an automatic jokey pump.

3.2 Transmission Lines

3.2.1 General Description

PPTL awarded the following major contracts for construction of the project:

Contracts	Agencies
Tower Supply	M/s. Skipper Ltd. M/s. Goodluck Steel Tubes Ltd. M/s. Larsen and Toubro Ltd.
Conductor Supply	M/s. Gupta Power Infrastructure Ltd. M/s. Hind Aluminium Industries Ltd. M/s. Smita Conductors Pvt. Ltd. M/s. Neccon Power and Infra Ltd. M/s. Oswal Cables Pvt. Ltd. M/s. Lumino Industries Ltd. M/s. Apar Industries Ltd. M/s. JSK Industries Pvt. Ltd.
OPGW	M/s. ZTT India Private Limited.
Insulator Supply	M/s. Zhengzhou Xianghe Group
Tower Erection and Stringing	M/s. Bajaj Electricals Ltd. M/s. Larsen and Toubro Ltd

The lattice steel towers have been designed as per IS: 802 for the relevant wind – zone as applicable with adequate Reliability level. Towers have been tested at tower testing stations in India. IS Steel section of tested quality of conformity with IS:2062 grade E250 and / or grade E350 are used in towers.

The tower parts, stubs and pack washers are hot dip galvanised with minimum overall zinc coating of 610 gm/m^2 except for plates and sections below 5 mm which have zinc coating of 460 gm/m^2 with average coating of 87 microns and 65 microns respectively. POWERGRID has provided its proprietary structural drawings, shop drawings and Bill of Materials of all type of standard transmission line towers and its extensions, special towers as required to the Contractor(s) after placement of award according to the project requirement.

Foundations are generally open cast with RCC.

Composite Insulators with specific creepage 31mm /kV have been used.

765kV D/C: (Hexa) :

Double I Insulator strings with 160 kN composite insulators in Suspension Towers and Quadruple Tension Strings with 210 kN Composite Insulators in Tension Towers.

400kV D/C (Quad):

Double I Insulator Strings with 120 kN Composite Insulators in Suspension Towers and Quadruple Tension Strings with 160kN Composite Insulators in Tension Towers.

Minimum Ground Clearance: For 765 kV lines: 15m and for 400 kV Lines: 8.84m required as per CEA safety standard.

Towers are complete with towers accessories such as Bird Guard, Danger Plate, Number Plate, Phase Plate, Anti-Climbing Device and Step Bolts and Conductor and Earth Wire accessories like - Mid Span Compression Joint, Repair Sleeve, Bundle Spacer, Vibration Damper, Spacer Damper, Earth Wire Suspension Clamp, Earth Wire Tension Clamp etc.

3.2.2 Classification of Towers

The towers for 765 kV Double Circuit Lines are classified as given below:

Type of Tower	Deviation Limit	Typical Use
DA	0°	To be used as Tangent Tower.
DB	0° - 15°	i) Angle towers with Tension Insulator string. ii) Also, to be used for uplift force resulting from an uplift span upto 200 m under broken wire condition. iii) Also, to be used for anti cascading condition.
DB	0°	To be used as Section Tower.
DC	15° - 30°	i) Angle Tower with tension insulator string. ii) Also, to be used for uplift forces resulting from an uplift span upto 200m under broken wire condition. iii) Also, to be used for anti-cascading condition.
DC	0°	To be used as section tower.
DD	30°- 60°	i) Angle tower with tension insulator string. ii) Also, to be used for uplift forces resulting from an uplift span upto 30 m under broken wire condition. iii) Dead end with 0° to 15° deviation both on line side and substation side (slack span)
DD	0°	i) Complete Dead End Tower ii)For river crossing anchoring with longer wind span

Service Conditions of Transmission Lines in the Package	
Climate varies from moderately hot and humid tropical climate to cold climate. Equipment /material is suitable for satisfactory continuous operation under for the following site conditions.	
Maximum ambient temperature (Degrees Celsius)	50°C
Minimum ambient temperature (Degree Celsius)	0 °C
Relative humidity (% range)	10-100
Maximum annual rainfall and snowfall (cm)	As per published Meteorological/ climatological data
Wind zone as per IS: 875	Partly zone 2 and partly 3
Maximum wind velocity as per IS: 875	Zone 2: 39m/sec Zone 3: 44m/sec
Maximum altitude above mean sea level (Metres)	Upto 1000m
Isoceraunic level (days/years)	Upto 60 thunderstorm days/year
Pollution level	Medium/Heavy

3.2.3 Fasteners: Bolts, Nuts and Washers

All tower members are joined together with hexagonal bolts and nuts. All hexagonal bolts and nuts conform to IS-12427. They have hexagonal head and nuts, the heads being forged out of the solid, truly concentric, and square with the shank. All bolts and nuts are galvanized as per IS:1367 (Part-13)/IS:2629.

3.2.4 Step Bolts and Ladders

Each is tower is provided with step bolts conforming to IS:10238.

3.2.5 Clamps Attachments of Insulator Strings and Earth wire

i. For the attachment of suspension Insulator String, a suitable sized swinging hanger is provided on the tower so as to obtain specified clearances under swinging condition of the strings. The hanger, extensions links and D-shackles which are of same rating/strength as that of corresponding rating/ ultimate tensile strength of insulator string is used in transmission line.

ii. At tension towers, strain plates of suitable dimensions under each cross-arm tip, are provided for taking the hooks or D-shackles of the tension insulator strings.

3.2.6 Galvanizing of Tower Parts

The tower parts, stubs and pack washers are hot dip galvanized as per requirements of IS 4759.

3.2.7 Conductors for 765 kV and 400kV Transmission Lines

S.No.	Description	Conductor 765 kV D/C	Conductor 400 kV D/C
1.	Type	ACSR 'ZEBRA' conductor	ACSR 'MOOSE' conductor
2.	Stranding and wire diameter (mm)		
2.1	Aluminium / Al Alloy	54/3.18	54/3.53
2.2	Steel	7/3.18	7/3.53
3.	Conductor per phase	6	2/4
4.	Spacing between conductor of same phase (sub conductor spacing) (mm)	457	457 (In Quad)
5.	Overall Diameter (mm)	28.62	31.77
6.	Unit mass (kg/km)	1621	2004
7.	Min. Ulitimate Tensile Strength (kN)	130	161

3.2.8 Earthing, Earth Wire and OPGW Details

Earth Wire/OPGW is connected at the top of each tower to protect the transmission line from lightening. Each tower has been earthed with pipe or counterpoise earthing as per soil resistivity of that area. Appropriate type of earthing is adopted to ensure tower footing resistance does not exceed 10 ohms.

S.No.	Description	Earth Wire	OPGW (12.5)
1.	Type	7/3.66mm GS Earthwire	Buffer loose tube (24-F) Aggregate 507.37 km
2.	Stranding and wire diameter (mm)	Steel- 7/3.66	As per drg
3.	Overall Diameter (mm)	10.98	12.5
4.	Unit mass (kg/km)	583	460
5.	Min. Ultimate Tensile Strength	68.4	83.9

S.No.	Description	Earth Wire	OPGW (12.5)
	(kN)		

3.2.9 Technical Information for 765 kV and 400 kV lines

1.	Nominal Voltage	Voltage Level	765 kV Line	400 kV Line
2.	Maximum system voltage	kV	800	420
3.	BIL (Impulse)	kV (peak)	2400	1550
4.	Power frequency withstand voltage (Wet)	kV (rms)	830	680
5.	Switching surge withstand voltage (Wet)	kV (rms)	1550	1050
6.	Minimum Corona extinction voltage at 50 Hz AC system under dry condition	kV (rms) phase to earth	510(min)	320(min)
7.	Radio interference voltage at one MHz for phase to earth voltage of 510 kV under dry condition.	micro Volts	1000 (max)	1000 (max)

3.2.10 Insulator of 765kV and 400kV Transmission Lines

The insulators of the strings consist of composite long rod insulators for a three phase, 50 Hz, effectively earthed 765 kV and 400 kV AC transmission system application in a very heavily polluted environment. Couplings are ball and socket type. Composite Long Rod Insulators are proven to be effective for use under foggy/humid operating conditions in polluted industrial environment combined with smoke and dust particles. Insulators are tested as per IEC-61109 or as per 62217.
The details of the Insulator Strings are as below:

S.No.	Type of Insulator String	Size of Composite Insulator (Core dia x length) (mm)	Minimum Creepage Distance (mm) per unit	No. of Units per String (Nos.)	Electro-Mechanical Strength of Insulator Unit (kN)	Mech Strength Insulator String (kN)
	INSULATOR FOR 765 kV D/C AC TRANSMISSION LINES WITH HEXA ZEBRA CONDUCTOR					
1.	Double ‘I’ Suspension	24x2975	12400	2x2	160	2x160
2.	Single Suspension ‘Pilot’	24x2975	12400	1x2	160	160
3.	Single Tension	24x2975	12400	1x2	160	160
4.	Quad Tension	24x2975	12400	4x2	210	4x210
	INSULATOR FOR 400kV D/C AC QUAD TRANSMISSION LINES WITH QUAD MOOSE CONDUCTOR					
1	Double ‘I’ suspension	20 x 3335	13020	2x1	120	240
2	Single Suspension Pilot	20 x 3335	13020	1x1	120	120
3	Quad Tension	24 x 3910	13020	4x1	160	640

3.2.11 Spacer Damper and Rigid Spacer for ACSR Zebra and Moose Conductors

The spacer dampers are designed to maintain the bundle spacing of 457 mm under all normal operating conditions and to effectively control Aeolian vibrations as well as sub-span oscillations, and to restore conductor spacing after release of any external extraordinary load. The tolerance limit for nominal sub-conductor spacing shall be maintained within ±5 mm.

The spacer dampers restore the normal sub-conductor spacing due to displacement by wind, electromagnetic and electrostatic forces, including the specified short circuit loading without permanent deformation or damage either to bundle conductors or to the spacer damper itself.

The clamping system has been designed to compensate for any reduction of conductor diameter due to creep.

The spacer damper assembly is capable of being installed and removed from the energized line by means of hot line techniques.

The sub-spans vary from 40m to 70m. The staggering scheme is such that the spacer dampers are unequally distributed along the span in order to achieve sufficient detuning of adjacent sub-spans during oscillations of sub-span mode as well as to ensure bundle stability for wind speeds up to 60 km/hr.

4. Communication System

As per Indian Electricity Grid Code (IEGC), agency establishing sub-station /generating station has to provide real time data and voice from their stations to RLDC for efficient grid management. In consideration of the same, transmission lines constructed by the PPTL are provided with 24 F (24 fibre) OPGW in place of one earth wire. OPGW serves dual purpose i.e grounding wire as well as Fiber Optic Communication Cable. Presently, six (6) fibres out of 24 fibres of OPGW are used to establish communication connectivity with CTU Communication network for providing access up to RLDC.

5. Environment and Safety

5.1 Environment

5.1.1 Transmission projects are considered by and large environmentally benign that don't involve disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil. No specific environmental clearances are required for construction or operation of transmission projects. Forest clearance under Forest (Conservation) Act, 1980 from Ministry of Environment Forests and Climate Change (MoEFCC) is a mandatory requirement wherever transmission line involves forest area. Accordingly, forest clearance has been obtained for Warora Pooling Station-Parli (New) 765 kV D/c line involving 27.846 hectare forest area in Maharashtra.

5.1.2 Due care has been taken to prevent/mitigate community environmental aspects such as EMF exposure, electrical shock and fire hazards, Contamination of environmental receptors, noise level etc. These aspects are integral part of design based on international standards. In order to dispel the EMF effect, studies have been carried out with the help of PTI, USA and CPRI, Bangalore. POWERGRID designs used by PPTL follow the required international standards.

5.1.3 Adoption of measures such as provision of oil pits and sumps, responsible disposal of used transformer oil, electronic wastes as per applicable regulations and prevention of leakage of SF6 gas through regular monitoring using sophisticated instruments and inventory control has resulted in compliance with the regulatory framework. Moreover, during replacement, SF6 gas is not released in the atmosphere but pumped into cylinders and returned to OEM.

5.2 Safety

5.2.1 Standard procedures for safety are followed during construction, testing, operation and maintenance. Tower earthing, earth wire is provided for protection of transmission lines and substations, against lightening. Strict safety procedures for isolation and permission to work protocols are in place.

5.2.2 It is mandatory for contractors to sign a 'Safety Pact' before award of contract. Further, all health and safety issues and its management aspects are made integral part of project including implementation of contract specific 'Safety Plan'. Preventive measures like use of personal protective equipment such as safety belts, helmets, shoes, gloves etc. are followed to avoid accidents in its work areas. Such measures include promoting mechanization for better and safe working conditions at the sites, contractual provisions like disqualification from future bidding, signing of safety pact, provision of penalties, payment of additional compensation to the legal heirs of the victims over and above the statutory compensation and daily safety briefings, mock drills and safety related trainings.

5.2.3 The substation safety grounding mat has been designed as per IEEE 80 for fault level of 50 kA for 1 second as per soil characteristics to keep the touch and step potential within permissible safety limits.

5.2.4 POWERGRID has been maintaining systems and procedures aligned with integrated management system comprising of quality, environmental and occupational health and safety management systems. Currently, it is in compliance of ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and OHSAS 45001:2018 for Occupational Health and Safety Management System.

6. Quality Control

In order to ensure compliance to design parameters, equipment were type tested as per relevant Indian and International Standards like IEC/BIS. The contractors furnished the reports for type tests as per technical specification during execution stage. These type tests are conducted in accredited laboratory (accredited based on ISO / IEC Guide 25/17025 or EN 45001 by the national accreditation body of the country where laboratory is located) or witnessed by POWERGRID. From above, it is inferred that all the equipment/structures meets relevant standards.

Field Quality Assurance Department of POWERGRID has ensured field quality during construction. POWERGRID has internal systems and procedures for checking/ auditing the construction works. Field Quality Assurance Department at Corporate Centre has Standard Field Quality Plans (SFQP) for substations and transmission lines, standard formats and guidelines. The field quality plan covers all aspects during construction and erection of transmission lines and substations. This is a detailed document covering checks at various stages during project execution. This SFQP was an integral part of contract agreement. Field Quality Assurance executives made regular visits to the project site in line with the inspection calendar and ensured adherence to quality check procedures.

7. Operation and Maintenance

7.1 Philosophy

The O&M of the transmission lines and substation, since their commissioning, has been carried out by POWERGRID as part of a consultancy services agreement entered between PPTL and POWERGRID for undertaking various post COD activities of the Company including Operation and Maintenance of transmission lines and substation. The current agreement is valid with effect from 01.04.2020.

POWERGRID, on behalf of PPTL, has been carrying out regular maintenance of the substation and transmission lines with defined periodicity and maintenance schedules.

The objective of operation and maintenance activities is to:

- carry out preventive maintenance so as to maximize the life of the assets
- minimize downtime of substation elements/ transmission line for maintenance purpose
- achieve system availability as specified in the TSA at economic cost

7.2 O&M Organization Setup

A general O&M set up for project including substation and transmission line includes an in-charge with engineers for substation operation, substation maintenance and transmission line maintenance with respective teams of junior engineer, technicians, fitters and other related manpower. The team composition is flexible and is augmented/ strengthened based on requirements.

7.3 Operation

For day-to-day activities, the operation of the substation is carried out from the local control room. Round the clock operation duty is performed in three shifts, with two persons in each shift. The main function of the operation staff is to carry out the following:

i. Operation of the equipment as per the instruction of RLDC (POSOCO)
ii. Restoration of the system in case of tripping in consultation with the maintenance staffs after analysing the fault
iii. Monitoring the system parameters and alarms, informing the maintenance staffs in case of any abnormality

The SCADA system installed in these stations are so designed that in case of requirement, these stations can be operated from remote. Further, in case of requirement also, the tripping details like events and disturbance records can be extracted from remote and can be analysed.

7.4 Procedure for O&M of transmission lines

Standard procedures, generally related to O&M of transmission lines, are being followed, which include general safety precautions to be followed during O&M activities of transmission lines;-procedure and working instructions about action to be taken during fault/ tripping of transmission lines like co-ordination with the terminating stations for shutdown/ charging; maintenance schedule and procedures. The procedures generally include various formats to be filled during transmission line maintenance.

7.5 Maintenance of Transmission lines

Routine and preventive maintenance of transmission lines is being carried out as per defined/ standard schedules for transmission lines; and best practices in O&M such as regular patrolling of lines, periodic removal of vegetation, thermo-vision scanning, on-line insulator puncture detection etc. have been adopted. Trained in-house manpower/ hired manpower on contract basis has been identified to swiftly attend any unforeseen eventualities/ natural calamities.

7.5.1 Patrolling

The patrolling as generally followed is indicated below:

Type of patrolling	Schedule
Ground Patrolling-400 kV Lines	Six Monthly
Ground Patrolling-765 kV Lines	Four Monthly
Ground Patrolling- Critical locations	Three Monthly
Emergency patrolling	Immediate

7.5.2 Routine Maintenance of Lines

The activities which are part of routine maintenance are described below:

i. Routine ground patrolling includes inspection of structural and conductor components. The main purpose of inspection is identification of defects in lower as well as upper body of tower including insulators, jumper, hardware fittings, corona ring, grading ring, etc. Follow up maintenance activities are scheduled based on the criticality of identified defects.

ii. 100% of transmission line towers and spans are being checked by concerned technician/ junior engineer once in a patrolling cycle. At least 10% of towers of transmission lines are checked by concerned line engineer in a calendar year. At least five (5) towers are inspected by the concerned Line In-charge every month.

iii. Tower top patrolling of the lines are carried out in case of repeated tripping/ auto-reclosures to find untraceable faults during ground patrolling. Tower top patrolling is being carried out by maintenance team in live line conditions.

iv. In case of tripping of the line, emergency patrolling of few towers on both side of fault location is carried out using required testing kit. In case of permanent faults, offline fault locators are utilized by substation maintenance engineer to correlate with online fault location.

7.5.3 Emergency Procedures

i. In case of any tripping/ auto-reclosure of the line on account of line faults, the terminating station control room informs the line in charge about the incident with details of tripping including fault locator reading. Maintenance team visits the affected location/ site immediately. Based on nature of problem, the restoration work is taken up and if required, support of third party is also taken.

ii. POWERGRID maintains a region wise centralised emergency restoration system (ERS) with light weight towers and erection team. In case of tower collapse, POWERGRID, depending on availability, can provide the ERS on temporary and chargeable basis, so that the system can be restored at the earliest.

7.6 Procedure for O&M of Substation

With the purpose to ensure reliable and safe operation of switchyard equipment, maintenance schedule for substation equipment finalised in advance; and standard procedures, generally related to O&M of substation like power supply checks, permissive checks, charging procedures, general safety precautions, shutdown procedures, working instructions for operating procedure of the substation equipment, isolation procedure of equipment during maintenance, action to be taken during fault/ tripping of any equipment/ transmission lines and gas leakage etc. are being followed. The procedures generally include various formats to be filled during substation maintenance.

7.7 Maintenance of Substation

Preventive checking and maintenance of asset is being carried out for following equipment:

i. Transformers
ii. Reactors
iii. Circuit breakers
iv. Instrument transformers like CT and CVT
v. Surge Arrestor
vi. Isolators
vii. Auxiliary system like DCDB, LT panels, DG set, etc.
viii. Firefighting system
ix. Battery system

Preventive checking and maintenance activities are performed on regular basis as defined in O&M manual (dily, weekly, monthly, and yearly). The activities include corrective actions to be taken in case of violation of limits during the testing of equipment

Different type of test like DGA, capacitance and tan delta, DCRM, timing measurement, etc are performed on regular basis to check the healthiness of equipment. Experienced manpower, in-house/ hired on contract basis, has been identified for operation and maintenance of Substations.

7.7.1 Detailed Investigation

Based on condition monitoring test results, the problems can be identified and rectified in the incipient stage and the failure of the equipment is avoided. In case of violation in test results, some specialized tests are carried out and if required, the support of manufacturer is also taken on case to case basis

7.7.2 Protection Audit

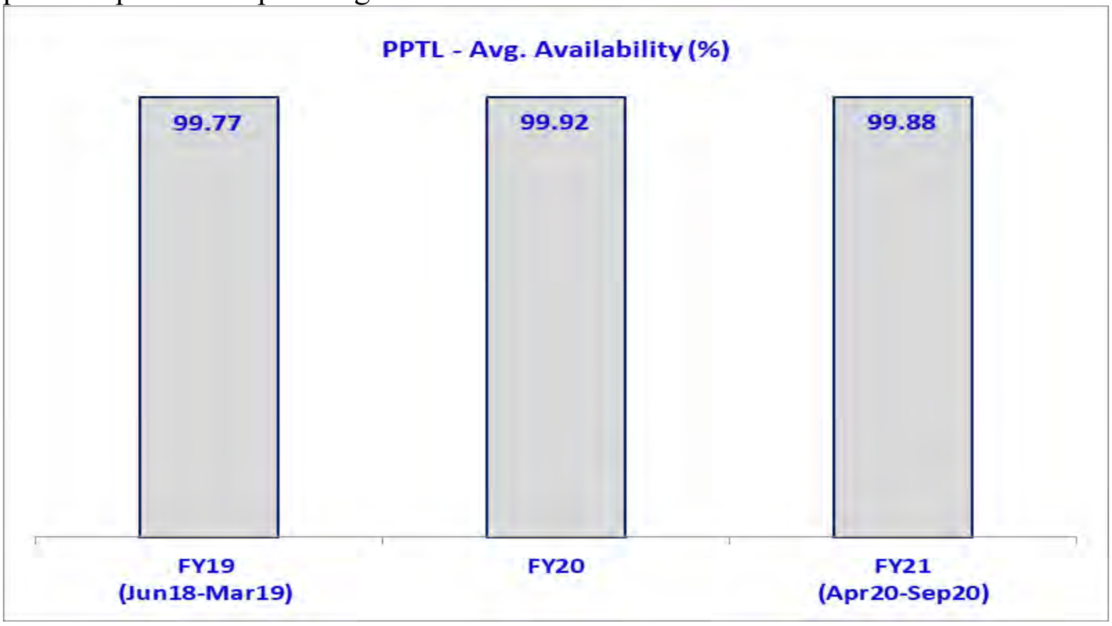
Third party protection audit is done periodically at every substation to check implementation of standard protection scheme and relay settings as per standard guidelines

8. Availability of PPTL

8.1 Calculation of availability of the projects acquired through TBCB mechanism is carried out as stipulated in the respective TSA. The outage data of the company is submitted to respective RLDC(s) for checking. Based on the certified outages by RLDC, the RPC(s) issues the availability certificates.

8.2 As per TSA, the target availability for the project is 98%. The company is entitled to receive incentive/ required to pay penalty based on the annual transmission system availability.

8.3 The average availability since commercial operation of the project, including for the period Apr-20 to Sep-20 is given in chart below.



8.4 During the year 2019-20, the average availability was 99.90%. Month-wise availability since commercial operation of the project is given at Annexure-II.

8.5 The modalities for the calculation of incentive/ penalty is as under:

i. In case transmission system availability (in percentage points), as per the TSA, is 98%, the company gets full transmission charges as per the TSA.

ii. In case availability is less than 98%, the transmission charges are reduced proportionally.

iii. In case, availability in a contract year exceeds 98%, the company is eligible for receiving annual incentive subject to maximum availability of 99.75% which is calculated as below:

a. *Incentive= 0.02 x Annual tariff x (Actual annual availability – Target availability)*

iv. Penalty is imposed in case system availability in a contract year is less than 95%. The annual penalty is calculated as:

a. *Penalty = 0.02 x Annual tariff x (Target availability – Actual annual availability)*

9. **Spare Parts Management**

The initial spares procured by PPTL are handed over to POWERGRID for maintenance. These initial spares are well maintained in stores as per POWERGRID procedures and condition monitoring of the same is carried out periodically. In case of consumption/ shortage, either the company replenishes the consumed spares to POWERGRID or POWERGRID takes procurement action for replacement spares at the cost of the Company. Further, in case there is a problem in restoration of the system due to non-availability of spares, the availability of the same can be checked with other companies and can be taken on replenishment basis.

All mandatory spares are kept in stock. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

10. **Physical Security of Assets**

i. The substation is provided with boundary-wall with single entry point. Security guards are deployed at the main gate and at different strategic locations for surveillance.

ii. Transmission lines are spread across the country and no exclusive security is deployed. However, patrolling of the transmission line is scheduled in such a way that every tower of the line is checked at least three times in a year for 765 kV/ critical / vulnerable locations and at least two times in a year for 400kV lines. In case of any theft in transmission line the issue is taken-up with local authorities.

11. **Cyber Security**

Cyber threats to critical assets under operation due to use of Information Technology (IT) are well recognised. The company has put in place appropriate controls to minimise cyber risks to its operating assets.

11.1 Management Practices
The cyber security issues related to design, engineering, procurement, construction of transmission systems; Operation & Maintenance activities for transmission systems, SCADA, Automation, and Communication Systems are in compliance to the requirements of construction standards by CEA, Indian Electricity Grid Code, 2010 and framework specified under Information Technology Act, 2000. POWERGRID continuously maintains liaison with NCIIPC and CERT-IN, the statutory bodies established under Information Technology Act, 2000, with regard to specific cybersecurity threat inputs and expert guidance which are shared with all the transmission utilities.

11.2 Hierarchical Separation
The company uses best practices to ensure hierarchical separation between networks. Networks catering to core devices within substation environment are kept physically isolated from other office networks. All critical /IEDs within substation premises are kept in physically locked panel racks. Further, physical access to areas such as Control Rooms are restricted to authorised personnel through biometric/ card-based entry. USB based devices and data dongles on devices within the SAS network are disabled.

11.3 Traffic Confinement

Network Traffic from within SAS network is kept confined to within substation itself through properly implemented IP Subnets and routing with firewalls.

11.4 Role Based Access Control

Use of Engineering PC, Servers and HMIs is restricted to authorised operators with well-defined and implemented Role Based Access Control (RBAC) mechanisms. The identified operators are sensitised and trained to manage cybersecurity risks.

11.5 Audit Checks

Protection Relays and their configuration settings are routinely verified through specific audit checks. Company maintains appropriate liaison with OEMs and their personnel for ensuring security and integrity of various sub-systems including software.

12. Risk Analysis

12.1 Operating risk

The operating risk due to fault, earthquake, short circuit, falling or touching of trees, lightning strike, travelling wave, corona discharge, wind storm, rain, hail storm, cyclone, flood, over loading, single phase tripping, sitting of birds, grid separation, over and under voltage are part of business as usual scenario for a transmission service provider. The design, compliance with technical standards, quality plan, inspection and testing adequately covers the operating risk which is evident from the availability since commissioning of the project. Sound operation and maintenance practices, adequate qualified/ skilled manpower, preventive maintenance, diagnostic testing, protection audits, healthy work culture, good T&P would ensure reliable operation of the scheme for decades to come. All mandatory spares are kept in stock and spare management ensures timely availability of required spares.

12.2 Availability of Spare Parts

The initial spares procured by the company are handed over to POWERGRID for necessary maintenance to maintain required availability and reliability of the system. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

12.3 Cyber Security Risk

i. The possibility of an embedded hardware trojan flow if any/ malicious traffic/loss of software data integrity in transit are perceived as threats and addressed with best practiced control methods

ii. Manpower at the substation has received preliminary training and sensitisation for management cybersecurity risks. In view of features implemented as part of design, it can be stated with reasonable confidence that the assets at these stations are well secured and any operational risk due to cyber-attack is minimal due to isolation mechanisms in place.

12.4Risk of Tower Failure

As a disaster management system, POWERGRID is having Emergency Restoration System (ERS) in different regions at strategic locations for both 400kV and 765kV system. POWERGRID is also having trained man power for erection of ERS system at the shortest interval of time. In case of requirement and depending upon the availability with POWERGRID, the ERS towers can be arranged, on chargeable basis, for timely restoration of the line.

13. Regulatory Aspects

13.1Extension of License

As per Section 15 of the Electricity Act:
'(8) A licence shall continue to be in force for a period of twenty- five years unless such licence is revoked'.
These 25 years are counted from the date of grant of license that includes construction period as well. However, the tenure of Transmission Service Agreement to operate the assets is for 35 years from the date of commercial operation. Therefore, to cover the gap it has been specifically provided in the license that, *'since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law'.*

Regulation 13(2) of the CERC Transmission License Regulations states,

'(2) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence: Provided that when the licensee does not make an application for grant of licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life'.

As a general practice observed in the industry and considering the performance of the company since DOCO, there is no risk of non-extension of license after initial period 25 years.

13.2 Revocation of License

The reasons and process of revocation of license is clearly specified in Section 19 of the Electricity Act as follows:

Section 19.

(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:

(a) Where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;

(b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

(c) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –

(i) To show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or

(ii) To make the deposit or furnish the security, or pay the fees or other charges required by his licence;

(d) Where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.

(2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.

(3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.

(4) The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.

(5) Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.

(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his utility to any person who is found eligible by that Commission for grant of licence'.

In view of above, it is most likely that license of the Company shall be extended in accordance with law.

13.3 Operation of Assets beyond TSA period

As per the RfP document and CERC order granting transmission license, the assets have been created by the company on Build, Own, Operate and Maintain (BOOM) basis. The substation land as well as Right of Way (not ownership but limited to related construction and O&M activities) and other statutory approvals belong to the company.

Though the Transmission License is granted for a period of 25 years initially, it can be extended as per various provisions of TSA and CERC Regulations.

The transmission lines are designed to provide a service life of more than 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years, the useful life can be extended even beyond 50 years, by carrying out required renovation works. The transmission lines associated with hydro projects may well be required beyond 50 years depending on evolution of the grid. If there is a grid, the 765 kV and 400 kV lines are indispensable. The right of way is always valuable and even after 50 years lines are usually refurbished, sometimes the voltage is stepped up, sometimes, multi-circuit patches are added.

The substation equipment is designed to provide a service life of 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years. However, the useful life can be extended beyond 35 years by carrying out required renovation works. The first 400 kV line built in early 1970s is still in service. Further, many assets of POWERGRID which have completed 30 years and more have been performing well in terms of availability.

As per the CERC tariff regulation 2019-24, for the purposes of depreciation, the life of substation equipment is 25 years and that of transmission line is 35 years. Generally, the life of the equipment used is more than that. However, some equipment are replaced after useful life due to followings reasons for life extension of the projects.

i. Change in fault level
ii. Obsolescence of technology.
iii. Uneconomical to keep the equipment in service.

In view of above analysis, technical life of substation equipment can be extended to more than 35 years subject to proper maintenance like overhauling of CB, gasket replacement in transformer, etc. The technical life of transmission line can be considered up to 50 years.

In regard to the life of asset beyond the tariff period, the TSA provides for the following:

2.2.1 Subject to Article 2.2.2 and Article 2.4, this agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such *terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.*

The extant provisions of regulation 13(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulation, 2009 in this regard provide that if the transmission licensee (i.e. PPTL in this case) decides to undertake renovation and 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.

Presently, procedures in this regard are yet to be notified by CERC.

14. Insurance

PPTL has taken the insurance policy for its assets with effect from 01.11.2020. Prior to that the risk was covered by creating a self insurance reserve in the books of accounts.

15. Conclusion

15.1 The project was planned for import of power from Gadarwara STPS of NTPC. The project comprises of three transmission lines and one substation.
The project has been successfully charged and declared under commercial operation as per details below:

Transmission lines (including any stations/ substations)	**Line length (ckm)**	**DOCO**
765 kV D/C Parli (New) – Solapur line	235.916 ckm	27.04.2018
400 kV D/C Parli (New) – Parli (PG) line	36.50 ckm	27.04.2018
Establishment of 2x1500 MVA, Parli (New) S/S	3000 MVA	27.04.2018
765 kV D/C Warora (Pooling Station) – Parli (New) line	693.702 ckm	04.06.2018

The COD of the Project is 04.06.2018. The scheduled COD has been revised by the LTTCs to 04.06.2018.

15.2 The company has obtained all necessary statutory clearances like, approval under Section 68 of the Electricity Act, Authorization under Section 164 of the Electricity Act, Grant of Transmission License by CERC, Route approval by PTCC, GoI, Electrical Safety Clearance of CEA for construction, commissioning and operation of the assets at its rated voltage.

15.3 The company entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The system has been constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols.

15.4 The company has entered into the agreement with POWERGRID for operation and maintenance of the substation along with the associated transmission lines and other post COD activities.

15.5 Mandatory spares for substations and transmission lines are maintained by PPTL and handed over to POWERGRID. In case of consumption of spares, the same are being replenished by PPTL or being procured by POWERGRID at the cost of PPTL. Also, in case of requirement, PPTL can request POWERGRID for ERS towers and depending on availability, it can be provided on chargeable basis.

15.6 Standard procedures for safety are followed during construction, testing, operation and maintenance to avoid any untoward incident.

15.7 The availability of PPTL has been reviewed and it has been observed that year-wise average availability of PPTL since commissioning of the project is more than 99.75%. During FY21, the average availability for Apr-20 to Sep-20 has been 99.88%. As per TSA, the target availability for claiming full transmission charges is 98% and maximum permissible limit for availing annual incentive is 99.75%.

15.8 As per TSA, the life of the project is required to be 35 years. However, with proper maintenance, necessary retrofitting/ over hauling the life of project can be extended upto 50 years.

Prepared by:

RAVINDER
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB
147, Bhagirathi Apartments,
Plot No. 13/1, Sector – 9, Rohini,
New Delhi – 110 085

…

Annexure-I

SUMMARY OF APPROVALS AND LICENCES

POWERGRID PARLI TRANSMISSION LIMITED

S No.	Approvals	Date of Issue	Authority
1	**Company Registration**	**30-07-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**10-07-2015**	**CENTRAL ELECTRICITY REGULATORY COMMISSION**
3	**Forest Clearance**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
3(1)	27.846 ha for 765kV D/C Warora-Parli TL in Maharashtra	02-09-2017	GOI-Ministry of Environment, Forests and Climate Change
	2. Parli (new) - Solapur 765 kV D/C line	**No Forest**	
	3. Parli (New) - Parli (PG) 400 kV D/C line	**No Forest**	
4	**Approval under Section 68 of Electricity Act,2003**	**10-12-2014**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**28-06-2017**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power and Telecommunication coordination committee clearance**		
8(1)	765 kV D/C Waroa-Parli T/L (Length-346.802 KM)	05-05-2018	PTCC - Government of India
8(2)	765 kV D/C line from Solapur-New Parli(Length-117.958 KM)	02-04-2018	PTCC - Government of India
8(3)	400 kV D/C line from Parli-New Parli(Dhanora) (Length - 18.236 KM)	02-04-2018	PTCC - Government of India
9	**Railway Crossing**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
9(1)	Track at KM No. 326/5-326/6 b/w Chudawa-Purna	17-01-2017	South Central Railway
9(2)	Track at Km 246/14-Km 247/1 b/w Ghatnandur-Parli	16-02-2018	South Central Railway
	2. Parli (new) - Solapur 765 kV D/C line		
9(3)	Track at location 497/3-4 kms b/w Murud and Ausa Road	06-11-2017	Central Railway
	3. Parli (New) - Parli (PG) 400 kV D/C line	**No Railway Crossing**	
10	**Road Crossing**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
10(1)	NH-7 b/w chainage 108/6 and 108/4 near village yerla	09-01-2018	National Highways Authority of India
10(2)	NH-222 @ Ch.525/800 i.e. b/w km 525 and 526 km	12-01-2018	Public Works Department (Govt of Maharashtra)
	2. Parli (new) - Solapur 765 kV D/C line		
10(3)	NH-09(Solapur-Hydrabad) b/w Solapur 31.7 Km and Naldurg 14.3 Km	14-10-2017	National Highways Authority of India
	3. Parli (New) - Parli (PG) 400 kV D/C line	No Road Crossing	

S No.	Approvals	Date of Issue	Authority
11	**River Crossing**	No Major River Crossing in this lines	
12	**Powerline Crossing**		
	1. Warora Pooling Station - Parli New 765 kV D/C line		
12(1)	400 kV S/C Kumbhargaon-Parli line	30-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(2)	400 kV D/C Chandrapur-Parli line	30-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(3)	132 kV D/C Pusad Umarkhed line	09-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(4)	132 kV Gagankhed - Kandhar line	03-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(5)	220 kV Nanded-Ghatodi DCDC line	03-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(6)	220 kV Parli New TPS - Waghala DCDC line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(7)	220 kV Parli - Harangul line	26-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(8)	132 kV Girwali-Latur MIDC DCDC line	26-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(9)	220 kV Osmanabad-Parli line and 220kV Girwali-Murud line	21-11-2016	Maharashtra State Electricity Transmission Co. Ltd
12(10)	400 kV D/C Parli-Solapur line	21-03-2017	Reliance Infrastructure Limited
	2. Parli (new) - Solapur 765 kV D/C line		
12(11)	132 kV D/C Ujani-Naldurga-Solapur line	04-03-2017	Maharashtra State Electricity Transmission Co. Ltd
12(12)	400 kV D/C Solapur (PG) - Parli (PG) line	04-04-2017	Reliance Infrastructure Limited
12(13)	132 kV S/C Bale-Akkalkot	06-05-2017	Maharashtra State Electricity Transmission Co. Ltd
12(14)	132 kV Bale (Solapur)-Ujani Line	01-10-2016	Maharashtra State Electricity Transmission Co. Ltd
12(15)	132 kV Ujani-B.A.S.S.K. Keshegaon line	01-10-2016	Maharashtra State Electricity Transmission Co. Ltd
12(16)	220 kV Osmanabad-Parli line and 220kV Girwali-Murud line	19-11-2016	Maharashtra State Electricity Transmission Co. Ltd
	3. Parli (New) - Parli (PG) 400 kV D/C line		
12(17)	132 kV Girwali - Kaij Line	06-08-2016	Maharashtra State Electricity Transmission Co. Ltd
12(18)	400 kV S/C Girwali-Lamboti (Solapur) Line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(19)	400 kV D/C Girwali-Lonikand line	05-07-2016	Maharashtra State Electricity Transmission Co. Ltd
12(20)	400 kV D/C Parli-Solapur line (Loc No. 15 & 16)	14-07-2016	Reliance Infrastructure Limited
12(21)	400 kV S/CGirwali - Solapur (Lamboti) and 400 kV D/C Girwali-Lonikand line	09-06-2016	Maharashtra State Electricity Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission line**		
13(1)	NOC ID : AKOL/WEST/P/012017/192829	24-05-2017	Airports Authority of India
13(2)	NOC ID : AKOL/WEST/P/012017/192829/2	24-05-2017	Airports Authority of India
13(3)	NOC ID : AKOL/WEST/P/012017/192829/3	24-05-2017	Airports Authority of India
13(4)	NOC ID : AKOL/WEST/P/012017/192829/4	24-05-2017	Airports Authority of India
13(5)	NOC ID : AKOL/WEST/P/012017/192829/5	24-05-2017	Airports Authority of India

S No.	Approvals	Date of Issue	Authority
13(6)	NOC ID : AKOL/WEST/P/012017/192829/6	24-05-2017	Airports Authority of India
13(7)	NOC ID : AKOL/WEST/P/012017/192829/7	24-05-2017	Airports Authority of India
13(8)	NOC ID : AKOL/WEST/P/012017/192829/8	24-05-2017	Airports Authority of India
13(9)	NOC ID : AKOL/WEST/P/012017/192829/9	07-11-2017	Airports Authority of India
13(10)	NOC ID : AKOL/WEST/P/012017/192829/10	07-11-2017	Airports Authority of India
13(11)	NOC ID : AKOL/WEST/P/012017/192829/11	24-05-2017	Airports Authority of India
13(12)	NOC ID : AKOL/WEST/P/012017/192829/12	24-05-2017	Airports Authority of India
13(13)	NOC ID : SOLA/WEST/P/100516/176012	24-05-2017	Airports Authority of India
13(14)	765kV D/C Solapur to Parli/Dhanora (PG) Transmission Line	31-10-2017	Indian Air Force
14	**Defence Clearance- NOC from aviation angle for construction**		
14(1)	765 kV D/C Warora to Parli(New) Transmission Line	07-11-2017	Ministry of Defence
14(2)	765 kV D/C Solapur - Parli Transmission Line	13-10-2017	Ministry of Defence
14(3)	400 kV D/C Parli (PG) to Parli (New) Transmission Line	27-10-2017	Ministry of Defence
15	**Transmission service agreements**	**09-02-2015**	
16	**Approval for adoption of Tariff (35 years)**	**23-06-2015**	**Central Electricity Regulatory Commission**

COD of the Project: 04.06.2018														
FY19	**Month**			**Jun-18**	**Jul-18**	**Aug-18**	**Sep-18**	**Oct-18**	**Nov-18**	**Dec-18**	**Jan-19**	**Feb-19**	**Mar-19**	**Avg**
	Availability			99.45	100.00	100.00	100.00	99.48	99.95	100.00	99.88	99.25	99.70	99.77
FY20	**Month**	**Apr-19**	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Avg**
	Availability	100.00	100.00	99.68	99.86	99.89	99.86	100.00	99.89	100.00	100.00	100.00	99.89	99.92
FY21	**Month**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**							**Avg**
	Availability	100	100	99.84	99.82	99.63	100							99.88

Technical Due Diligence Report

POWERGRID JABALPUR TRANSMISSION LIMITED (PJTL)

765 kV D/C Jabalpur - Vindhyachal Line

Ravinder
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser, TheWorld Bank, ADB

November 2020

Contents

Abbreviations / Acronyms

S.No.	Abbreviation/Acronym	Description
1.	AC	Alternating Current
2.	ACSR	Aluminium Conductor Steel-Reinforced
3.	ADB	Asian Development Bank
4.	AI	Aluminium
5.	BIL	Basic Insulation Level
6.	BIS	Bureau of Indian Standards
7.	BOOM	Build Own Operate and Maintain
8.	BPC	Bid Process Coordinator
9.	CEA	Central Electricity Authority
10.	CERC	Central Electricity Regulatory Commission
11.	COD	Commercial Operation Date
12.	CPRI	Central Power Research Institute
13.	CTU	Central Transmission Utility
14.	D/C	Double Circuit
15.	DA type of tower	Double Circuit A Type Tower
16.	DB type of tower	Double Circuit B Type Tower
17.	DC type of tower	Double Circuit C Type Tower
18.	DD type of tower	Double Circuit D Type Tower
19.	DOCO	Date of Commercial Operation
20.	EMF	Electro Magnetic Field
21.	ER	Eastern Region
22.	ERS	Emergency Restoration System
23.	FY	Financial year
24.	gm	gram
25.	GoI	Government of India
26.	GS	Galvanized Steel
27.	Hz	Hertz
28.	IEC	International Electrotechnical Commission
29.	IEGC	Indian Electricity Grid Code
30.	InvIT	Infrastructure Investment Trust
31.	IS	Indian Standards
32.	ISO	Indian Standards Organization
33.	Kg	kilogram
34.	km	kilometre
35.	km/hr	kilometre Per Hour
36.	kN	kilo Newton
37.	kV	kilo Volt
38.	LoI	Letter of Intent
39.	m	meter
40.	m/sec	metres per second
41.	m^2	square meter
42.	Max	Maximum
43.	MHz	Megahertz

S.No.	Abbreviation/Acronym	Description
44.	min	Minimum
45.	mm	millimetre
46.	NCIIPC	National Critical Information Infrastructure Protection Centre
47.	NTPC	National Thermal Power Corporation
48.	O&M	Operation and Maintenance
49.	OPGW	Optical Ground Wire
50.	PJTL	POWERGRID Jabalpur Transmission Limited
51.	POWERGRID	Power Grid Corporation of India Limited
52.	PTCC	Power and Telecommunication Coordination Committee
53.	RCC	Reinforced Cement Concrete
54.	RECTPCL	REC Transmission Projects Company Limited
55.	RfP	Request for Proposal
56.	RLDC	Regional Load Dispatch Centre
57.	rms	Root Mean Square
58.	RPC	Regional Power Committee
59.	S/C	Single Circuit
60.	SCOD	Scheduled Commercial Operation Date
61.	SFQP	Standard Field Quality Plan
62.	SOP	Standard Operating Procedure
63.	SPV	Special Purpose Vehicle
64.	T&P	Tools and Plants
65.	TBCB	Tariff Based Competitive Bidding
66.	TSP	Transmission Service Provider
67.	WR	Western Region

POWERGRID JABALPUR TRANSMISSION LIMITED (PJTL)

Technical Due Diligence Report

EXECUTIVE SUMMARY

Background

POWERGRID Jabalpur Transmission Limited ('Project Company'/ 'Company'/ 'Project') is a wholly owned subsidiary of Power Grid Corporation of India Limited (POWERGRID). PJTL, set up as a SPV for development of transmission scheme, '*Transmission System Strengthening associated with Vindhyachal -V'* was acquired by POWERGRID under TBCB mechanism on build, own, operate and maintain (BOOM) basis.

POWERGRID is India's Central Transmission Utility and the largest power transmission utility in the country. It is also one of the largest transmission utilities of the world. Including PJTL, it presently owns 19 wholly owned subsidiaries acquired under TBCB mechanism. Each of these subsidiaries was set up as a SPV for executing a specific transmission project and was acquired by POWERGRID under TBCB mechanism. Out of the total 19 subsidiaries, eight are operational and balance eleven are under construction phase.

Mr. Ravinder has been appointed as Independent Engineer (IE) by POWERGRID Unchahar Transmission Limited, a wholly-owned subsidiary of POWERGRID, for Technical Due Diligence of the above transmission Project.

Project Description

The Transmission System Strengthening was planned for the evacuation and supply of power from the Vindhyachal-V to the beneficiaries of the generation project which include Vindhyachal Pool – Jabalpur Pool 765kV D/c line. This transmission system strengthening shall facilitate supply of power to its beneficiaries with reliability and security. The transmission line of the above system i.e. Vindhyachal Pooling Station to Jabalpur 765 kV D/C line was proposed to be implemented through Tariff Based Competitive Bidding process vide scheme "Transmission System Strengthening associated with Vindhyachal-V".

Ministry of Power, Government of India has notified REC Transmission Projects Company Limited (RECTPCL) to be the Bid Process Coordinator (BPC), who invited bids for selection of Transmission Service Provider (TSP) based on 'Tariff Based Competitive Bidding Guidelines for Transmission Services'. POWERGRID was selected as TSP for executing the Scheme "Transmission System Strengthening associated with Vindhyachal-V" consisting of 765 kV Transmission Line. POWERGRID executed the project through its SPV, POWERGRID Jabalpur Transmission Limited (PJTL).

The Transmission System executed by the SPV consists of:

a) Vindhyachal Pooling Station- Jabalpur Pooling Station 765 kV D/C line.

The Transmission Service Agreement (TSA) was signed between seven (7) Long Term Transmission Customers (LTTCs) and Vindhyachal Jabalpur Transmission Limited (erstwhile name of POWERGRID Jabalpur Transmission Limited), with Maharashtra State Electricity Distribution Company Limited (MSEDCL) being the Lead Long Term Transmission Customer. According to TSA, According to the TSA, scheduled COD of the Project was June, 2018. The proposal for grant of time extension of scheduled COD to 01.01.2019 is under approval.

PJTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The Project was implemented through multiple supply and erection contracts with various agencies which mainly included supply contracts for tower, conductor and insulator and contracts for tower erection and stringing.

Transmission Lines have been designed as per relevant IS/IEC Standards. Further, the erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocol.

The date of grant of approval from CEA for the elements and date of declaration of commercial operation after successful trial operation are as follows:

S.No.	Element	CEA Energization Approval	DOCO
1	Vindhyachal Pooling Station-Jabalpur Pooling Station 765 kV D/C Line.	CEI/3/EI/RIO(W)/INSP/2018/CAMP TEESTA-III HEP dt.11.12.2018	01.01.2019

PJTL entered into an agreement with POWERGRID for post COD activities including Operation and Maintenance activities for effective O&M of the transmission lines. Additionally, regular trainings are being conducted for O&M personnel on the latest techniques for effective maintenance of the transmission lines.

This Technical Due Diligence Report including the observations and recommendations of IE is based on the review of the Technical Specifications, Material Quality Plan, Type Test Certificates, Field Quality Plan, operation and maintenance procedures, cyber security procedures, communication systems, environment and safety, and risk aspects of the Project. The Technical Due Diligence Report evaluates all aspects related to technical suitability, clearances, quality, maintenance, environment, safety and identifies risks, if any in operation of the Project during its useful life. The report comprises of the following sections:

Section - 1: Introduction

This Section presents a brief introduction of the Project.

Section - 2: Transmission License

Details of Transmission License including the validity of the License and conditions of the License throughout the period of the License are discussed in this Section.

Section - 3: Project

Transmission Lines

Technical details of Towers including Classification of Towers, Conductor, Earthwire, OPGW, Insulators, etc. have been described in this Section.

Section - 4: Communication System

Details about the communication system requirement as per IEGC and its compliance by the Company have been described in this Section.

Section - 5: Environment and Safety

This Section covers the environment and social aspects of the Project. The practices adopted by the Company for maintaining Environment, Health and Safety aspects in relation to the project are discussed in this Section.

Section - 6: Quality Control

The quality aspects of the project like compliance to design parameters, conformance of the tests to various Indian and International Standards, Standard Field Quality Plans during execution of project etc. is discussed in this Section.

Section - 7: Operation and Maintenance

The philosophy followed for operation and maintenance of the project has been described in this Section.

Section - 8: Availability of the Project

The performance of project in terms of availability is assessed in this Section.

Section - 9: Spares Part Management

The philosophy of spare part management is described in this Section.

Section - 10: Physical Security of Assets

The security aspect of the Project has been described in this Section.

Section - 11: Cyber Security

Various aspects of cyber security measures have been discussed in this Section.

Section – 12: Risk Analysis

The assessment of risks associated with the project has been carried out in this Section under various relevant heads.

Section – 13: Regulatory Aspects

The regulatory aspects of the project like Extension of License, Revocation of License and Operation of Assets beyond TSA period have been discussed in this Section.

Section – 14: Insurance

The aspects related to insurance of the project has been discussed in this Section.

Section – 15: Conclusion

The findings of the IE have been summarised and presented in this Section.

As per the specifications provided by POWERGRID, the transmission lines and towers have been designed, installed and tested in accordance with relevant Standards. The design has also met statutory requirements such as the Indian Electricity Rules, Indian Factory Act and Indian Electricity Grid Code etc. IE is of the opinion that the comprehensive Quality Assurance Plan is being followed, the final design and specifications of transmission lines are in line with the technical specifications, drawings and documents has been reviewed and approved by POWERGRID.

IE reviewed the status of various approvals and clearances. PJTL has obtained all major permits and clearances.

IE is of the opinion that PJTL has taken adequate measures for management of the complete project for supervision of various contract packages during the construction phase.

IE is of the opinion that the O&M organization set-up is adequate and the O&M philosophy is effective in achieving the target availability.

1. Introduction

The Transmission System Strengthening was planned for the evacuation and supply of power from the Vindhyachal-V to the beneficiaries of the generation project which include Vindhyachal Pool – Jabalpur Pool 765kV D/c line. This transmission system strengthening shall facilitate supply of power to its beneficiaries with reliability and security. The transmission line of the above system i.e Vindhyachal Pooling Station to Jabalpur 765 kV D/C line was proposed to be implemented through Tariff Based Competitive Bidding process vide scheme "Transmission System Strengthening associated with Vindhyachal-V".

The transmission scheme was agreed in the 34th SCMPSP-WR/16th meeting of Western Region Constituents regarding connectivity and Long Term Access Applications of Western Region held on 09.05.2012and approved by the Government of India for TBCB vide 30nd meeting of the Empowered Committee on Transmission held on 17.01.2014 at CEA, New Delhi.

RECTPCL was notified by Ministry of Power, Government of India vide Notification No. 15/1/2013-Trans dated 08.07.2014 as the BPC for the purpose of selection of bidder as TSP to establish the transmission system for 'Transmission System Strengthening associated with Vindhyachal-V' on Build, Own, Operate and Maintain (BOOM) basis through competitive bidding. A Special Purpose Vehicle (SPV), 'Vindhaychal Jabalpur Transmission Ltd.' was incorporated on 14.08.2014 by RECTPCL as its wholly owned subsidiary to initiate work on the project. RECTPCL invited bids from the prospective bidders and POWERGRID emerged as the successful bidder with the lowest annual levelized transmission charges of Rs.2109.98 million.

LoI was issued on 10.02.2015 and the SPV, Vindhaychal Jabalpur Transmission Ltd., was acquired by POWERGRID on 26.02.2015 with scheduled COD of 40 months for the project.

Overall system design has been done by POWERGRID as part of consultancy assignment given by company. The design of various towers used in the transmission lines were developed in-house. The type tested designs of POWERGRID complying to CEA's technical standards, regulations and relevant Indian standards have been deployed. Protection setting coordination has been finalised by POWERGRID.

Complete quality control plan during various stages of manufacturing, erection, factory and site testing has been as per POWERGRID standard quality control plan. The system has been designed and constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols. POWERGRID has standard pre-commissioning documents for transmission lines. The components have been designed, manufactured, transported, stored, erected, tested and commissioned in compliance with relevant Indian and International Standards.

All relevant statutory technical clearances are in place, including the following:

i. Approval under Section 68 of the Electricity Act

ii. Authorisation under Section 164 of the Electricity Act
iii. Grant of Transmission License by CERC
iv. Route approval by PTCC, GoI
v. Electrical Safety Clearance of CEA

List of all relevant Approvals and Clearances is placed at Annexure-I.

The details of the Project Elements of PJTL are as follows:

S.No.	Transmission System Associated with PJTL			
	Project Elements	**Route length (km)/ Line length (ckm)**	**Conductor**	**Actual COD**
1	765 kV D/C Vindhyachal Pooling Station - Jabalpur Pooling Station line	374.565 km 745.052 ckm	Hexa Zebra	01.01.2019

According to the TSA, the scheduled COD of the Project was June, 2018. The delay in actual commissioning of the system w.r.t to the scheduled COD was mainly because of force majeure events and other reasons beyond control, such as delay in Forest Clearance, obstruction by local villagers and Dharna Pradarshan, severe right of way issues consequent upon Notification by Govt. of Madhya Pradesh towards land diminution value, etc. The proposal for grant of time extension of scheduled COD to 01.01.2019 is under approval.

As per the TSA executed with the Long Term Transmission Customers (LTTCs), the expiry date of TSA is 35 years from scheduled COD of the project. Considering the COD of 01.01.2019, the remaining period of the TSA with LTTCs is 33.08 years.

PJTL, in accordance with the Sharing Regulations of CERC, entered into a Revenue Sharing Agreement (RSA) and a Transmission Service Agreement (TSA) with CTU. The transmission charges are collected in accordance with the billing, collection and disbursement procedure set out in the TSA with CTU and disbursed to PJTL.

Project Location Map

2. **Transmission License**

Central Electricity Regulatory Commission New Delhi in Petition No. 89/TL/2015 granted transmission license to PJTL, B-9, Qutab Institutional Area, Katwaria Sarai, New Delhi – 110016 vide order dated 15.06.2015. The name of the project company was later changed to POWERGRID Jabalpur Transmission Limited.

The grant of transmission licence to the petitioner is subject to the fulfilment of following conditions throughout the period of licence:

(a) The transmission licence shall, unless revoked earlier, remain in force for a period of 25 years;

(b) The transmission licensee shall comply with the provisions of the Transmission Licence Regulations or any subsequent enactment thereof during the period of subsistence of the licence.

(c) Since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law;

(d) The petitioner shall not enter into any contract for or otherwise engage in the business of trading in electricity during the period of subsistence of the transmission licence;

(e) The petitioner shall have the liability to pay the license fee in accordance with the provisions of the Central Electricity Regulatory Commission (Payment of Fees) Regulations, 2012, as amended from time to time or any subsequent enactment thereof. Delay in payment or non-payment of licence fee or a part

thereof for a period exceeding sixty days shall be construed as breach of the terms and conditions of the licence;

(f) The petitioner shall comply with the directions of the National Load Despatch Centre under section 26 of the Act, or the Regional Load Despatch Centre under sub-section (3) of section 28 or sub-section (1) of section 29 of the Act, as may be issued from time to time for maintaining the availability of the transmission system;

(g) The petitioner shall remain bound by the Central Electricity Regulatory Commission (Standard of Performance of inter-State Transmission Licensees) Regulations, 2012 or subsequent enactment thereof.

(h) The petitioner shall 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 Act, Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 as amended from time to time and Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2010 as amended from time to time;

(i) The petitioner shall not undertake any other business for optimum utilization of the transmission system without prior intimation to the Commission and shall comply with the provisions of the Central Electricity Regulatory Commission (Sharing of revenue derived from utilization of transmission assets for other business) Regulations, 2007, as amended from time to time;

(j) The petitioner shall remain bound by the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 as amended from time to time;

(k) The petitioner shall remain bound by the provisions of the Act, the rules and regulations framed thereunder, in particular the Transmission Licence Regulations, the Grid Code, the Standards specified by the Central Electricity Authority, orders and directions of the Commission issued from time to time; and

(l) The petitioner shall ensure execution of the project as per the Schedule 3 of the TSA and shall remain bound by the provisions of Article 16.4 of the TSA and its affidavit dated 27.06.2015.

3. Project

PJTL entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project.

3.1 Transmission Lines

3.1.1 General Description

PJTL awarded the following major contracts for construction of the project:

Contracts	Agencies
Tower Supply	M/s ICOMM Tele Ltd. M/s Kalpataru Power Transmission Ltd.
Conductor Supply	M/s Prem Cables Pvt Ltd. M/s Gupta Power Infrastructure Ltd. M/s Smita Conductors Pvt. Ltd. M/s APAR Industries Ltd. M/s Durable Conductors & Cables M/s Gulati Metal & Alloys M/s Kataria Wires Pvt Ltd. M/s KJV Alloy Conductors Pvt Ltd. M/s Sharavathy Conductors Pvt Ltd. M/s Hind Aluminium Industries Pvt. Ltd. M/s Hindustan Urban Infrastructure Ltd. M/s JSK Industries Pvt. Ltd.
OPGW	M/s. Sterlite Technologies Ltd.
Insulator Supply	M/s Jiandong M/s. Zhengzhou Xianghe Group
Tower Erection and Stringing	M/s Tata Projects Ltd. M/s KEC International Ltd.

The lattice steel towers have been designed as per IS: 802 for the relevant wind – zone as applicable with adequate Reliability level. Towers have been tested at tower testing stations in India. IS Steel section of tested quality of conformity with IS:2062 grade E250 and / or grade E350 are used in towers.

The tower parts, stubs and pack washers are hot dip galvanised with minimum overall zinc coating of 610 gm/m^2 except for plates and sections below 5 mm which have zinc coating of 460 gm/m^2 with average coating of 87 microns and 65 microns respectively. POWERGRID has provided its proprietary structural drawings, shop drawings and Bill of Materials of all type of standard transmission line towers and its extensions, river crossing towers/ special towers as required to the contractor(s) after placement of award according to the project requirement.

Foundations are generally open cast with RCC.

Composite Insulators with specific creepage 31mm/kV have been used.

765kV D/C: (Hexa)

Double “I” Insulator Strings with 160 kN Composite Insulators in Suspension Towers and Quadruple Tension Strings with 210 kN Composite Insulators in Tension Towers.

Minimum Ground Clearance: For 765 kV lines: 15m required as per CEA safety standard.

Towers are complete with towers accessories such as Bird Guard, Danger Plate, Number Plate, Phase Plate, Anti-Climbing Device and Step Bolts; and Conductor and Earth Wire accessories like - Mid Span Compression Joint, Repair Sleeve, Bundle Spacer, Vibration Damper, Spacer Damper, Earth Wire Suspension Clamp, Earth Wire Tension Clamp etc.

3.1.2 Classification of Towers

The towers for 765 kV Double Circuit lines are classified as under:

Type of Tower	Deviation Limit	Typical Use
DA	0°	To be used as Tangent Tower.
DB	0° - 15°	i) Angle Towers with tension insulator string. ii) Also, to be used for uplift force resulting from an uplift span upto 200 m under broken wire condition. iii) Also, to be used for anti cascading condition.
DB	0°	To be used as Section Tower.
DC	15° - 30°	i) Angle Tower with tension insulator string. ii) Also, to be used for uplift forces resulting from an uplift span upto 200m under broken wire condition. iii) Also, to be used for anti-cascading condition.
DC	0°	To be used as Section Tower.
DD	30°- 60°	i) Angle Tower with tension insulator string. ii) Also, to be used for uplift forces resulting from an uplift span upto 30 m under broken wire condition. iii) Dead end with 0° to 15° deviation both on line side and substation side (slack span)
DD	0°	i)Complete Dead End Tower ii)For river crossing anchoring with longer wind span

Service Conditions of Transmission Lines in the project	
Climate varies from moderately hot and humid tropical climate to cold climate. Equipment /material is suitable for satisfactory continuous operation under for the following site conditions.	
Maximum ambient temperature (Degrees Celsius)	50°C
Minimum ambient temperature (Degree Celsius)	0°C
Relative humidity (% range)	10-100
Maximum annual rainfall & snowfall (cm)	as per published meteorological/ climatological data
Wind zone (as per IS: 875)	Zone 2
Maximum wind velocity (m/sec.)	39 m/sec (as per IS: 875)
Maximum altitude above mean sea level (metres)	Upto 1000m
Isoceraunic level (days/years)	Upto 60 thunderstorm
Pollution level	Medium/Heavy

3.1.3 Fasteners: Bolts, Nuts and Washers

All tower members are joined together with hexagonal bolts and nuts. All hexagonal bolts and nuts conform to IS-12427. They have hexagonal head and nuts, the heads being forged out of the solid, truly concentric, and square with the shank. All bolts and nuts are galvanized as per IS:1367 (Part-13)/IS:2629.

3.1.4 Step Bolts and Ladders

Each tower is provided with step bolts conforming to IS:10238.

3.1.5 Clamps Attachments of Insulator Strings and Earth Wire

i. For the attachment of suspension Insulator String, a suitable sized swinging hanger is provided on the tower so as to obtain specified clearances under swinging condition of the strings. The hanger, extensions links and D-shackles, which are of same rating/strength as that of corresponding rating/ ultimate tensile strength of insulator string are used in transmission line.

ii. At tension towers, strain plates of suitable dimensions under each cross-arm tip, are provided for taking the hooks or D-shackles of the tension insulator strings.

3.1.6 Galvanizing of Tower Parts

The tower parts, stubs and pack washers are hot dip galvanized as per requirements of IS 4759.

3.1.7 Conductors for 765 kV Transmission Lines

S.No.	**Description**	**Conductor**
1.	Type	ACSR 'ZEBRA' conductor
2.	Stranding and wire diameter (mm)	
2.1	Aluminium / Al Alloy	54/3.18
2.2	Steel	7/3.18
3.	Conductor per phase	6
4.	Spacing between conductor of same phase (sub conductor spacing) (mm)	457
5.	Overall Diameter (mm)	28.62
6.	Unit mass (kg/km)	1621
7.	Min. Ultimate Tensile Strength (kN)	130

3.1.8 Earthing, Earth Wire and OPGW Details

Earth Wire/OPGW is connected at the top of each tower to protect the transmission line from lightening. Each tower has been earthed with pipe or counterpoise earthing as per soil resistivity of that area. Appropriate type of earthing is adopted to ensure tower footing resistance does not exceed 10 ohms.

S.No.	Description	Earthwire	OPGW
1.	Type	7/3.66mm GS Earth Wire	Buffer loose tube (24-F i.e 12 pairs Aggregate 393.33 km)
2.	Stranding and wire diameter (mm)	Steel- 7/3.66	As per drawing
3.	Overall Diameter (mm)	10.98	12
4.	Unit mass (kg/km)	583	460

S.No.	Description	Earthwire	OPGW
5.	Min. Ultimate Tensile Strength (kN)	68.4	78.4

3.1.9 Technical Information for 765 kV Transmission Line

S.No.	**Description**	**Voltage Level**	**765 kV Line**
1.	Nominal Voltage	kV	765
2.	Maximum system voltage	kV	800
3.	BIL (Impulse)	kV (peak)	2400
4.	Power frequency withstand voltage (Wet)	kV (rms)	830
5.	Switching surge withstand voltage (We	kV (rms)	1550
6.	Minimum Corona extinction voltage at 50 Hz AC system under dry condition	kV (rms) phase to earth	510(min)
7.	Radio interference voltage at one MHz for phase to earth voltage of 510 kV under dry condition.	micro Volts	1000 (max)

3.1.10 Insulator of 765 kV Transmission Lines

The insulators of the strings consist of composite long rod insulators for a three phase, 50 Hz, effectively earthed 765 kV AC transmission system application in a very heavily polluted environment. Couplings are ball and socket type. Composite Long Rod Insulators are proven to be effective for use under foggy/humid operating conditions in polluted industrial environment combined with smoke and dust particles. Insulators are tested as per IEC-61109 or as per IEC-62217.

The details of the Insulator Strings are as below:

S.No.	Type of Insulator String	Size of Composite Insulator (Core dia x length) (mm)	Minimum Creepage Distance (mm) per unit	No. of Units per String (Nos.)	Electro-Mechanical Strength of Insulator Unit (kN)	Mechanical Strength of Insulator String (kN)
	INSULATOR FOR 765 kV D/C AC TRANSMISSION LINES WITH HEXA ZEBRA CONDUCTOR					
1.	Double 'I' Suspension	24x2975	12,400	2x2	160	2x160
2.	Single Suspension 'Pilot'	24x2975	12,400	1x2	160	160
3.	Single Tension	24x2975	12,400	1x2	160	160
4.	Quad Tension	24x2975	12,400	4x2	210	4x210

3.1.11 Spacer Damper and Rigid Spacer for ACSR Zebra Conductors

The spacer dampers are designed to maintain the bundle spacing of 457 mm under all normal operating conditions and to effectively control Aeolian vibrations as well as sub-span oscillations, and to restore conductor spacing after release of any external extraordinary load. The tolerance limit for nominal sub-conductor spacing shall be maintained within ±5 mm.

The spacer dampers restore the normal sub-conductor spacing due to displacement by wind, electromagnetic and electrostatic forces, including the specified short circuit loading without permanent deformation or damage either to bundle conductors or to the spacer damper itself.

The clamping system has been designed to compensate for any reduction of conductor diameter due to creep.

The spacer damper assembly is capable of being installed and removed from the energized line by means of hot line techniques.

The sub-spans vary from 40m to 70m. The staggering scheme is such that the spacer dampers are unequally distributed along the span in order to achieve sufficient detuning of adjacent sub-spans during oscillations of sub-span mode as well as to ensure bundle stability for wind speeds up to 60 km/hr.

4. Communication System

As per Indian Electricity Grid Code (IEGC), agency establishing substation/ generating station has to provide real time data and voice from their stations to RLDC for efficient grid management. In consideration of the same, transmission lines constructed by PJTL are provided with 24 F (24 fibre) OPGW in place of one earth wire. OPGW serves dual purpose i.e. grounding wire as well as Fiber Optic Communication Cable. Presently six (6) fibers out of 24 fibers of OPGW are used to establish communication connectivity with CTU Communication network for providing access up to RLDC.

Communication Equipment at end stations of the lines were not in the scope of PJTL.

5. Environment and Safety

5.1 Environment

5.1.1 Transmission projects are considered by and large environmentally benign that don't involve disposal of any pollutants/ waste in various environmental matrices, i.e. air, water or soil. No specific environmental clearances are required for construction or operation of transmission projects. Forest clearance under Forest (Conservation) Act, 1980 and permission of National Board for Wildlife (NBWL) under Wildlife (Protection) Act, 1972 from Ministry of Environment Forests and Climate Change (MoEFCC) are mandatory requirements wherever transmission lines involve forest and protected areas (National Parks, Wildlife Sanctuary etc.) respectively. Accordingly, forest clearance has been obtained for Vindhyachal Pooling station-Jabalpur pooling station 765 kV D/C line involving 241.0995 hectare of forest in Madhya Pradesh. Further, in the same line permission of National Board for Wildlife

(NBWL) for 10.7669 hectare sanctuary area of Son Ghariyal Wildlife Sanctuary in Madhya Pradesh has also been obtained.

5.1.2 Due care has been taken to prevent/mitigate community environmental aspects such as EMF exposure, electrical shock and fire hazards, contamination of environmental receptors, noise level etc. These aspects are integral part of design based on international standards. In order to dispel the EMF effect, studies have been carried out with the help of PTI, USA and CPRI, Bangalore. POWERGRID designs used by PJTL follow the required international standards.

5.2 Safety

5.2.1 Standard procedures for safety are followed during construction, testing, operation and maintenance. Tower earthing, earth wire is provided for protection of transmission lines against lightening. Strict, safety procedures for isolation and permission to work protocols are in place.

5.2.2 It is mandatory for contractors to sign a 'Safety Pact' before award of contract. Further, all health and safety issues and its management aspects are made integral part of project including implementation of contract specific 'Safety Plan'. Preventive measures like use of personal protective equipment such as safety s, helmets, shoes, gloves etc. are followed to avoid accidents in its work areas. Such measures include promoting mechanization for better and safe working conditions at the sites, contractual provisions like disqualification from future bidding, signing of safety pact, provision of penalties, payment of additional compensation to the legal heirs of the victims over and above the statutory compensation and daily safety briefings, mock drills and safety related trainings.

5.2.3 POWERGRID has been maintaining systems and procedures aligned with integrated management system comprising of quality, environmental and occupational health and safety management systems. Currently, it is in compliance of ISO 9001:2015 for Quality Management System, ISO 14001:2015 for Environment Management System and OHSAS 45001:2018 for Occupational Health and Safety Management System.

6. Quality Control

In order to ensure compliance to design parameters, equipment were type tested as per relevant Indian and Iinternational Standards like IEC/BIS. The contractors furnished the reports for type tests as per technical specification during execution stage. These type tests are conducted in accredited laboratory (accredited based on ISO/ IEC Guide 25/17025 or EN 45001 by the national accreditation body of the country where laboratory is located) or witnessed by POWERGRID. From above, it is inferred that all the equipment/structures meet relevant standards.

Field Quality Assurance Department of POWERGRID has ensured field quality during construction. POWERGRID has internal systems and procedures for checking/ auditing the construction works. Field Quality Assurance Department at Corporate Centre has Standard Field Quality Plans (SFQP) for substations and transmission lines, standard formats and guidelines. The field quality plan covers all aspects during construction and erection of transmission lines and substations. This is a detailed document covering checks at various stages during project execution. This SFQP was an integral part of contract agreement. Field Quality Assurance executives made regular visits to the project site in line with the inspection calendar and ensured adherence to quality check procedures.

7. Operation and Maintenance

7.1 Philosophy

The O&M of the transmission line, since their commissioning, has been carried out by POWERGRID as part of a consultancy services agreement entered between PJTL and POWERGRID for undertaking various post COD activities of the Company including Operation and Maintenance of transmission lines. The current agreement is valid with effect from 01.04.2020.

POWERGRID, on behalf of PJTL has been carrying out regular maintenance of the transmission lines with defined periodicity and maintenance schedule.

The objective of operation and maintenance activities is to:

- carry out preventive maintenance so as to maximize the life of the assets
- minimize downtime of transmission line for maintenance purpose
- achieve system availability as specified in the TSA at economic cost

7.2 O&M Organization Setup

A general O&M set up for transmission line include a line in-charge, a transmission line maintenance engineer and a team of junior engineers, technicians and fitters. The team composition is flexible and is augmented/ strengthened based on requirements.

7.3 Procedure for O&M of transmission lines

Standard procedures, generally related to O&M of transmission lines, are being followed, which include general safety precautions to be followed during O&M activities of transmission lines; procedure and working instructions about action to be taken during fault/ tripping of transmission lines like co-ordination with the terminating stations for shutdown/ charging; maintenance schedule and procedures. The procedures generally include various formats to be filled during transmission line maintenance.

7.4 Maintenance of Transmission lines

Routine and preventive maintenance of transmission lines is being carried out as per defined/ standard schedules for transmission lines; and best practices in O&M such as regular patrolling of lines, periodic removal of vegetation, thermo-vision scanning, on-line insulator puncture detection etc. have been adopted. Trained in-house manpower/ hired manpower on contract basis has been identified to swiftly attend any unforeseen eventualities/ natural calamities.

7.4.1 Patrolling

The patrolling as generally followed is indicated below:

Type of patrolling	Schedule
Ground Patrolling-400 kV Lines	Six Monthly
Ground Patrolling-765 kV Lines	Four Monthly
Ground Patrolling- Critical locations	Three Monthly
Emergency patrolling	Immediate

7.4.2 Routine Maintenance of Lines

The activities which are part of routine maintenance are described below:

i. Routine ground patrolling includes inspection of structural and conductor components. The main purpose of inspection is identification of defects in lower as well as upper body of tower including insulators, jumper, hardware fittings, corona ring, grading ring, etc. Follow up maintenance activities are scheduled based on the criticality of identified defects.

ii. 100% of transmission line towers and spans are being checked by concerned technician/ junior engineer once in a patrolling cycle. At least 10% of towers of transmission lines are checked by concerned line engineer in a calendar year. At least five (5) towers are inspected by the concerned Line In-charge every month.

iii. Tower top patrolling of the lines are carried out in case of repeated tripping/ auto-reclosures to find untraceable faults during ground patrolling. Tower top patrolling is being carried out by maintenance team in live line conditions.

iv. In case of tripping of the line, emergency patrolling of few towers on both side of fault location is carried out using required testing kit. In case of permanent faults, offline fault locators are utilized by substation maintenance engineer to correlate with online fault location.

7.4.3 Emergency Procedures

i. In case of any tripping/ auto-reclosure of the line on account of line faults, the terminating station control room informs the line in charge about the incident with details of tripping including fault locator reading. Maintenance team visits the affected location/ site immediately. Based on nature of problem, the restoration work is taken up and if required, support of third party is also taken.

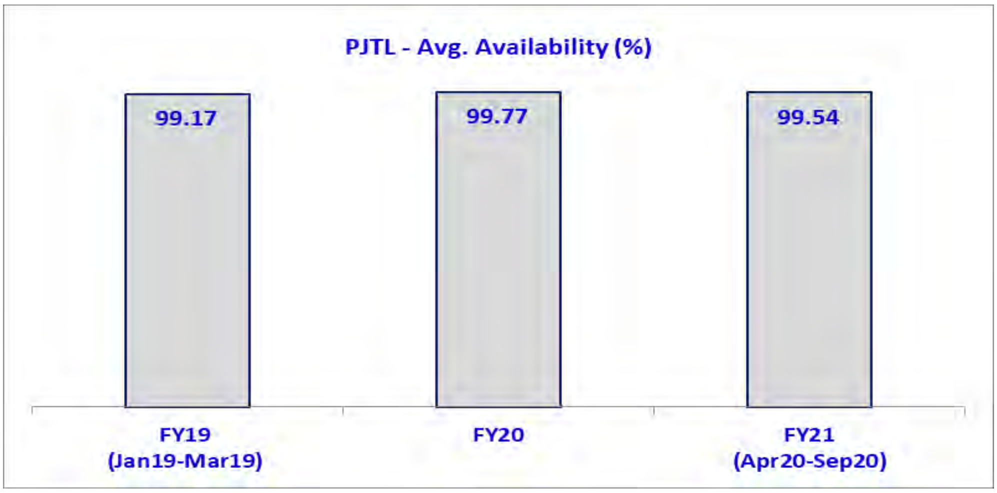
ii. POWERGRID maintains a region wise centralised emergency restoration system (ERS) with light weight towers and erection team. In case of tower collapse, POWERGRID, depending on availability, can provide the ERS on temporary and chargeable basis, so that the system can be restored at the earliest.

8. Availability of PJTL

8.1 Calculation of availability of the projects acquired through TBCB mechanism is carried out as stipulated in the respective TSA. The outage data of the company is submitted to respective RLDC(s) for checking. Based on the certified outages by RLDC(s), the RPC(s) issues the availability certificates.

8.2 As per TSA, the target availability for the project is 98%. The company is entitled to receive incentive/ required to pay penalty based on the annual transmission system availability.

8.3 The average availability since commercial operation of the project, including for the period Apr-20 to Sep-20 is given in chart below.



8.4 During the year 2019-20, the average availability was 99.77%. Month-wise availability since commercial operation of the project is given at Annexure-II.

8.5 The modalities for the calculation of incentive/ penalty is as under:

i. In case transmission system availability (in percentage points), as per the TSA, is 98%, the company gets full transmission charges as per the TSA.

ii. In case availability is less than 98%, the transmission charges are reduced proportionally.

iii. In case, availability in a contract year exceeds 98%, the company is eligible for receiving annual incentive subject to maximum availability of 99.75% which is calculated as below:
a. Incentive= 0.02 x Annual tariff x (Actual annual availability – Target availability)

iv. Penalty is imposed in case system availability in a contract year is less than 95%. The annual penalty is calculated as:
a. Penalty = 0.02 x Annual tariff x (Target availability – Actual annual availability)

9. Spare Parts Management

The initial spares procured by PJTL are handed over to POWERGRID for maintenance. These initial spares are well maintained in stores as per POWERGRID procedures and condition monitoring of the same is carried out periodically. In case of consumption/ shortage, either the company replenishes the consumed spares to POWERGRID or POWERGRID takes procurement action for replacement spares at the cost of the Company. Further, in case there is a problem in restoration of the system due to non-availability of spares, the availability of the same can be checked with other companies and can be taken on replenishment basis.

All Mandatory spares are kept in stock. Fast delivery of spares from works is possible since almost all suppliers have works or sales offices in India.

10. Physical Security of Assets

Transmission lines are spread across the country and no exclusive security is deployed. However, patrolling of the transmission line is scheduled in such a way that every tower of the line is checked at least three times in a year for 765 kV/ critical / vulnerable locations and at least two times in a year for 400 kV lines. In case of any theft in transmission line the issue is taken-up with local authorities.

11. Cyber Security

Cyber threats to critical assets under operation due to use of Information Technology (IT) are well recognised. The company has put in place appropriate controls to minimise cyber risks to its operating assets.

11.1 Management Practices

The cyber security aspect related to design, engineering, procurement, construction of transmission systems; Operation and Maintenance activities for transmission systems, and Communication Systems are in compliance to the requirements of construction standards by CEA, Indian Electricity Grid Code, 2010 and framework specified under Information Technology Act, 2000. POWERGRID continuously maintains liaison with NCIIPC and CERT-IN, the statutory bodies established under Information Technology Act, 2000, with regard to specific cybersecurity threat inputs and expert guidance.

12. Risk Analysis

12.1 Operating risk

The operating risk due to fault, earthquake, short circuit, falling or touching of trees, lightning strike, travelling wave, corona discharge, wind, storm, rain, hail-storm, cyclone, flood, over loading, single phase tripping, sitting of birds, grid separation, over and under voltage are part of business as usual scenario for a transmission service provider. The design, compliance with technical standards, quality plan, inspection and testing adequately covers the operating risk which is evident from the availability since commissioning of the project. Sound operation and maintenance practices, adequate qualified/ skilled manpower, preventive maintenance, diagnostic testing, protection audits, healthy work culture, good T&P would ensure reliable operation of the scheme for decades to come. All mandatory spares are kept in stock and spare management ensures timely availability of required spares

12.2 Risk of Tower Failure

As a disaster management system, POWERGRID is having Emergency Restoration System (ERS) in different regions at strategic locations for 765 kV systems. POWERGRID is also having trained manpower for erection of ERS system at the shortest interval of time. In case of requirement and depending upon the availability with POWERGRID, the ERS towers can be arranged, on chargeable basis, for timely restoration of the line.

13. Regulatory Aspects

13.1 Extension of License

As per Section 15 of the Electricity Act: *'(8) A licence shall continue to be in force for a period of twenty- five years unless such licence is revoked'.*

These 25 years are counted from the date of grant of license that includes construction period as well. However, the tenure of Transmission Service Agreement to operate the assets is for 35 years from the date of commercial operation. Therefore, to cover the gap it has been specifically provided in the license that, '*since the expiry date as per the TSA is 35 years from the scheduled COD of the project, the petitioner may make an application, two years before the expiry of initial licence period, for grant of licence for another term in accordance with Regulation 13 (2) of the Transmission Licence Regulations which shall be considered by the Commission in accordance with law.*

Regulation 13(2) of the CERC Transmission License Regulations states,

' *(2) If the useful life of the transmission asset for which transmission licence has been issued extends beyond the period of 25 years, the Commission may consider on merit of each case to grant licence for another term for which the licensee may make an application in accordance with Regulation 7 two years before the expiry of the initial period of licence: Provided that when the licensee does not make an application for grant of licence beyond the initial period of 25 years, the Commission may, to protect the interest of the consumers or in public interest, issue such directions or formulate such schemes as it may deem necessary for operation of the transmission assets for the remaining part of its useful life'.*

As a general practice observed in the industry and considering the performance of the company since DOCO, there is no risk of non-extension of license after initial period 25 years.

13.2 Revocation of License

The reasons and process of revocation of license is clearly specified in Section 19 of the Electricity Act as follows:
Section 19.

(1) If the Appropriate Commission, after making an enquiry, is satisfied that public interest so requires, it may revoke a licence in any of the following cases, namely:

(a) Where the licensee, in the opinion of the Appropriate Commission, makes wilful and prolonged default in doing anything required of him by or under this Act or the rules or regulations made thereunder;

(b) Where the licensee breaks any of the terms or conditions of his licence the breach of which is expressly declared by such licence to render it liable to revocation;

(c) Where the licensee fails, within the period fixed in this behalf by his licence, or any longer period which the Appropriate Commission may have granted therefor –

(i) To show, to the satisfaction of the Appropriate Commission, that he is in a position fully and efficiently to discharge the duties and obligations imposed on him by his licence; or

(ii) To make the deposit or furnish the security, or pay the fees or other charges required by his licence;

(d) Where in the opinion of the Appropriate Commission the financial position of the licensee is such that he is unable fully and efficiently to discharge the duties and obligations imposed on him by his licence.

(2) Where in its opinion the public interest so requires, the Appropriate Commission may, on application, or with the consent of the licensee, revoke his licence as to the whole or any part of his area of distribution or transmission or trading upon such terms and conditions as it thinks fit.

(3) No licence shall be revoked under sub-section (1) unless the Appropriate Commission has given to the licensee not less than three months' notice, in writing, stating the grounds on which it is proposed to revoke the licence, and has considered any cause shown by the licensee within the period of that notice, against the proposed revocation.

(4) The Appropriate Commission may, instead of revoking a licence under sub-section (1), permit it to remain in force subject to such further terms and conditions as it thinks fit to impose, and any further terms and conditions so imposed shall be binding upon and be observed by the licensee and shall be of like force and effect as if they were contained in the licence.

(5) Where the Commission revokes a licence under this section, it shall serve a notice of revocation upon the licensee and fix a date on which the revocation shall take effect.

(6) Where the Appropriate Commission has given notice for revocation of licence under sub-section (5), without prejudice to any penalty which may be imposed or prosecution proceeding which may be initiated under this Act, the licensee may, after prior approval of that Commission, sell his

utility to any person who is found eligible by that Commission for grant of licence'.

In view of above, it is most likely that license of the Company shall be extended in accordance with law.

13.3 Operation of Assets beyond TSA period

As per the RfP document and CERC order granting transmission license, the assets have been created by the company on Build, Own, Operate and Maintain (BOOM) basis. The Right of Way (not ownership but limited to related construction and O&M activities) and other statutory approvals belong to the Company.

Though the Transmission License is granted for a period of 25 years initially, it can be extended as per various provisions of TSA and CERC Regulations.

The transmission lines are designed to provide a service life of more than 35 years. Though the transmission charges are to be quoted by the Bidders under the TBCB process for a period of 35 years, the useful life can be extended even beyond 50 years, by carrying out required renovation works. The first 400kV line built in early 1970s is still in service. Further, many assets of POWERGRID which have completed 30 years and more have been performing well in terms of availability.

The transmission lines associated with hydro projects may well be required beyond 50 years depending on evolution of the grid. If there is a grid, the 765 kV and 400 kV lines are indispensable. The right of way is always valuable and even after 50 years lines are usually refurbished, sometimes the voltage is stepped up, sometimes, multi-circuit patches are added.

In view of above analysis, the technical life of transmission line can be considered up to 50 years.

In regard to the life of asset beyond the tariff period, the TSA provides for the following:

2.2.1Subject to Article 2.2.2 and Article 2.4, this agreement shall continue to be effective in relation to the Project until the Expiry Date, when it shall automatically terminate unless extended by the Appropriate Commission for such period and on such terms and conditions as the Appropriate Commission may specify in this regard in terms of the procedures laid down by the Appropriate Commission for such matters.

The extant provisions of regulation 13(6) of the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulation, 2009 in this regard provide that if the transmission licensee (i.e. PJTL in this case) decides to undertake renovation and 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.

Presently, procedures in this regard are yet to be notified by CERC.

14. Insurance

PJTL has taken the insurance policy for its assets with effect from 01.11.2020. Prior to that the risk was covered by creating a self insurance reserve in the books of accounts.

15. Conclusion

15.1 The project was planned for import of transmission system strengthening for Vindhyachal V generation project (1x500MW) of NTPC. The project comprises of one transmission line, which have been successfully charged and declared under commercial operation as per details below.

Transmission lines	Line length (ckm)	DOCO
765 kV D/C Vindhyachal Pooling Station- Jabalpur Pooling Station line	745.052 ckm	01.01.2019

The COD of the Project is 01.01.2019. The proposal for grant of time extension of scheduled COD to 01.01.2019 is under approval.

15.2 The company has obtained all necessary statutory clearances like, approval under Section 68 of the Electricity Act, Authorization under Section 164 of the Electricity Act, Grant of Transmission License by CERC, Route approval by PTCC, Electrical Safety Clearance of CEA for construction, commissioning and operation of the assets at its rated voltage.

15.3 The Company entered into consultancy services agreement with POWERGRID for undertaking various activities related to construction of the project. The system has been constructed as per CEA Standards. Erection, testing and commissioning at site has been carried out under the supervision of POWERGRID as per standard procedures and protocols.

15.4 The Company has entered into the agreement with POWERGRID for operation and maintenance of the transmission lines and other post COD activities.

15.5 Mandatory spares for transmission lines are maintained by PJTL and handed over to POWERGRID. In case of consumption of spares, the same are being replenished by PJTL or being procured by POWERGRID at the cost of PJTL. Also, in case of requirement, PJTL can request POWERGRID for ERS towers and depending on availability, it can be provided on chargeable basis.

15.6 Standard procedures for safety are followed during construction, testing, operation and maintenance to avoid any untoward incident.

15.7 The availability of PJTL has been reviewed and it has been observed that year-wise average availability of PJTL since commissioning of the project is more than 99.00%. During FY21, the average availability for Apr-20 to Sep-20 has been 99.54%. As per TSA, the target availability for claiming full transmission charges is 98% and maximum permissible limit for availing annual incentive is 99.75%.

15.8 As per TSA, the life of the project is required to be 35 years. However, with proper maintenance, the life of project can be extended upto 50 years.

Prepared by:

RAVINDER
Ex-Chairperson & Member (Power Systems), CEA
Ex- Chief (Engineering), CERC
Ex-Adviser World Bank, ADB
147, Bhagirathi Apartments,
Plot No. 13/1, Sector – 9, Rohini,
New Delhi – 110 085

Annexure-I

SUMMARY OF APPROVALS AND LICENCES
POWERGRID JABALPUR TRANSMISSION LIMITED

S No.	Approvals	Date of Issue	Authority
1	**Company Registration**	**14-08-2014**	**MINISTRY OF CORPORATE AFFAIRS - GoI**
2	**Transmission Licence (25 years)**	**15-06-2015**	**Central Electricity Regulatory Commission**
3	**Forest Clearance**		
3(1)	241.0995 ha at Singrauli Satna and Sidhi Districts(MP)	20-02-2018	Ministry of Environment and Forest, Madhya Pradesh
4	**Approval under Section 68 of Electricity Act,2003**	**22-09-2014**	**Ministry of Power - GoI**
5	**Approval from GoI under Section 164 of Electricity Act,2003 (25 years)**	**15-09-2016**	**CENTRAL ELECTRICITY AUTHORITY (MoP)**
6	**Approval from CERC under Section 17(3)**	**Not Required**	
7	**Environmental Clearance**	**Not Required**	
8	**Power and Telecommunication coordination committee clearance**		
8(1)	765 kV Vindhyanchal Pooling to Jabalpur Pooling Line	03-10-2018	PTCC - Government of India
9	**Railway Crossing**		
9(1)	Katni-Singrauli Railway Line at 1293/6-7	16-03-2017	West Central Railway
9(2)	Niwas-JP plant Coal Link	28-07-2017	West Central Railway
9(3)	Jabalpur-Manikpur railway Line at 1093/7-8	16-03-2017	West Central Railway
9(4)	Itarsi-Jabalpur Railway Line at 970/2-3	13-10-2016	West Central Railway
9(5)	Bina-Katni Railway Line at 1223/3-4	03-03-2017	West Central Railway
10	**Road Crossing**		
10(1)	NH-7 at km 355+134 (Rewa-Katni-Jabalpur)	23-06-2017	National Highways Authority of India
11	**River Crossing**		
11(1)	Son River	23-02-2018	Ministry of Environment and Forest (Sanjay Tiger Reserve)
11(2)	Banas River	23-02-2018	Ministry of Environment and Forest (Sanjay Tiger Reserve)
12	**Powerline Crossing**		
12(1)	765 kV D/CJabalpur-Bina Transmission Line	18-04-2017	Power Grid Corporation of India Ltd
12(2)	765 kV S/C Jabalpur-Bina Transmission Line	26-06-2017	Sterlite Power Transmission Limited
12(3)	765 kV S/C Jabalpur-Bhopal Transmission Line	26-06-2017	Sterlite Power Transmission Limited
12(4)	800 kV HVDC Bipole Champa-Kurukshetra Line	31-12-2016	Power Grid Corporation of India Ltd
12(5)	765 kV S/C Sasan-Satna Ckt-1 Line	12-08-2016	Power Grid Corporation of India Ltd
12(6)	765 kV S/C Sasan-Satna Ckt-2 Line	12-08-2016	Power Grid Corporation of India Ltd
12(7)	765 kV D/C Vindhyanchal Pooling- Satna Ckt-1and2 Line	12-08-2016	Power Grid Corporation of India Ltd
12(8)	400 kV D/C Vindhyanchal-Jabalpur Ckt-IandII Line	02-02-2017	Power Grid Corporation of India Ltd

S No.	Approvals	Date of Issue	Authority
12(9)	765 kV S/C Satna-Vindhyanchal Ckt-I Line	02-02-2017	Power Grid Corporation of India Ltd
12(10)	765 kV S/C Satna-Vindhyanchal Ckt-II Line	02-02-2017	Power Grid Corporation of India Ltd
12(11)	220 kV Katni-Maihar Line	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(12)	220 kV Satna-Birsinghpur LILO	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(13)	132 kV Jinna-Amarpatan Line	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(14)	132 kV Rewa_bansagar LILO	24-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(15)	400 kV D/C Vindhyanchal-Jabalpur Ckt-III and IV	22-12-2016	Power Grid Corporation of India Ltd
12(16)	400 kV Katni-Damoh Line	06-05-2017	Madhya Pradesh Power Transmission Co. Ltd
12(17)	400 kV D/C Birsinghpur-Damoh Line	22-12-2016	Power Grid Corporation of India Ltd
12(18)	132 kV Panagar-Katangi Line	14-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(19)	132 kV Patan – Panagar Line	14-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(20)	132 kV S/C Jabalpur-Damoh Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(21)	400 kV D/C Jabalpur Pool- Itarsi TL Ckt 1 and2	09-01-2017	Power Grid Corporation of India Ltd
12(22)	400 kV D/C Jabalpur Pool- Itarsi TL Ckt 3 and4	09-01-2017	Power Grid Corporation of India Ltd
12(23)	220 kV D/C Sukhi-Narsinghpur Line	11-11-2016	Madhya Pradesh Power Transmission Co. Ltd
12(24)	132 kV Anuppur - Rajmilan Line	20-03-2018	Madhya Pradesh Power Transmission Co. Ltd
12(25)	132 kV Kymore-Barhi Line	20-03-2018	Madhya Pradesh Power Transmission Co. Ltd
12(26)	400 kV Mahan - Vindhyanchal and Mahan-Korba (LILO)	26-06-2017	Essar Power Transmission Company Limited
12(27)	400 kV D/C (Quad) Mahan-Sipat Line	26-06-2017	Essar Power Transmission Company Limited
12(28)	220 kV Satna- Birsinghpur Pali Line	27-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(29)	132 kV Rewa (Bansagar-II) – Bansagar-III (Deolon) Line	27-07-2017	Madhya Pradesh Power Transmission Co. Ltd
12(30)	132 kV Katni- Kaimur Line	19-05-2018	Madhya Pradesh Power Transmission Co. Ltd
13	**Aviation Clearance - NOC for Transmission Line**		
13(1)	JABA/WEST/P/092317/248125/9	07-11-2017	Airports Authority of India
14	**Defence Clearance- NOC from aviation angle for construction**		
	765 kV Vindhyachal-Jabalpur Pooling Line	02-11-2018	Ministry of Defence
15	**Transmission service agreements**	**19-11-2014**	
16	**Approval for adoption of Tariff (35 years)**	**28-05-2015**	**Central Electricity Regulatory Commission**

Annexure-II

POWERGRID JABALPUR TRANSMISSION LIMITED (PJTL)														
COD of the Project: 01.01.2019														
FY19	**Month**									**Jan-19**	**Feb-19**	**Mar-19**	**Avg**
	Availability									97.50	100.00	100.00	99.17
FY20	**Month**	**Apr-19**	**May-19**	**Jun-19**	**Jul-19**	**Aug-19**	**Sep-19**	**Oct-19**	**Nov-19**	**Dec-19**	**Jan-20**	**Feb-20**	**Mar-20**	**Avg**
	Availability	99.84	100.00	100.00	99.64	100.00	100.00	98.85	99.22	100.00	100.00	99.71	100.00	99.77
FY21	**Month**	**Apr-20**	**May-20**	**Jun-20**	**Jul-20**	**Aug-20**	**Sep-20**							**Avg**
	Availability	100.00	99.20	100.00	98.05	100	100							99.54

ANNEXURE C

AIFMD DISCLOSURES

This document contains either the information required by Article 23(1) if the AIFMD to be made available to Bidders before they invest in the Trust or cross-refers to the relevant document that is available and which contains such information. This document refers to, and such be read in conjunction with the Offer Document. Terms used but not defined herein shall have the same meanings given to them in the Offer Document.

AIFM Directive article	Information to be disclosed	Document and section where disclosed
23(1)(a)	Investment strategy and objectives of the AIF	See "*Our Business- Competitive Strengths*" and "*Our Business- Business Strategies*"
23(1)(a)	Information on where master AIF is established and where the underlying funds are established	N/A; The Trust is neither a "feeder fund" nor a "fund of funds".
23(1)(a)	Types of assets in which AIF may invest and any applicable investment restrictions	See "*Overview of The Trust – Investment Objectives*"
23(1)(a)	The techniques the AIF, or the AIFM on its behalf, may employ and all associated risks	See "*Risk Factors*" See "*Parties to The Trust – the Investment Manager*"
23(1)(a)	Circumstances in which the AIF may use leverage, the types and sources of leverage permitted and the associated risks, restrictions on using leverage and any collateral and asset reuse arrangements	See "*Financial Indebtedness and Deferred Payments*" See "*Risk Factors*"
23(1)(a)	Maximum level of leverage which the AIFM is entitled to employ on behalf of the AIF	See "*Financial Indebtedness and Deferred Paym*ents". The AIFM is entitled to employ a maximum leverage of 49% under the InvIT Regulations
23(1)(b)	Procedures by which the AIF may change its investment strategy or policy, or both	See "*Parties to The Trust – the Investment Manager*" and "*Corporate Governance*"
23(1)(c)	Description of the main legal implications of the contractual relationship entered into for the purpose of investment including information on: jurisdiction; applicable law; and the existence or not of any legal instruments providing for the recognition and enforcement of judgments in the territory where the AIF is established.	An investor becomes a Unitholder by subscribing for or acquiring Units in the Trust and consequently becomes bound by the Trust Deed in such investor's capacity as a Unitholder. The Trust Deed is governed by the laws of India.
23(1)(d)	Identity of the AIFM and description of its duties	The Investment Manager is the AIFM of the Trust. See "*Parties to The Trust – the Investment Manager*"
23(1)(d)	Identity of the AIF's depositary and description of its duties and the investors' rights	As a non-EEA AIF, the Trust is not required to have a depositary unless Bidders from certain EEA Member States acquire Units in the Trust pursuant to the national private placement regimes in such EEA Member States. The Investment Manager reserves the right to appoint a depositary if necessary. The duties of the depositary will be owed contractually to the Trust, the Investment Manager and accordingly the Unitholders in the Trust will have no direct rights against the depositary.
23(1)(d)	Identity of the AIF's auditor and description of its duties and the Bidders' rights	As at the date of Offer Document, S.K. Mittal & Co. will serve as the auditor to the Trust. The role of the auditor will be to undertake an annual audit of the Trust in accordance with Indian AS. The duties of the auditor will be owed contractually to the Trust and/or the Investment Manager and accordingly the Bidders in the Trust will have no direct rights against the auditor. See "*General Information*".
23(1)(d)	Identity of AIF's other service providers and description of their duties and investors' rights	See "*Parties to The Trust*"
23(1)(e)	Description of how the AIFM is protected against potential professional liability risks	See "*Parties to The Trust – the Investment Manager*"
23(1)(f)	Description of any delegated management functions by the AIFM, identity of the delegate and description of related conflicts of interest	See "*Parties to The Trust – the Investment Manager*"
23(1)(g)	Description of the AIF's valuation procedure and of	The Trust has appointed RBSA Valuation Advisors LLP as

AIFM Directive article	Information to be disclosed	Document and section where disclosed
	the pricing methodology for valuing assets, including the methods used in valuing hard-to-value assets in accordance with Article 19	independent valuer - see "*Annexure A – Valuation Report*".
23(1)(h)	Description of the AIF's liquidity risk management, including redemption rights of investors	Unitholders may only deal in their Units through trading on BSE or BSE. Unitholders will not have the right to redeem Units or require the redemption of Units by the Investment Manager.
23(1)(i)	Description of all fees, charges and expenses and of the maximum amounts thereof which are directly or indirectly borne by investors	See "*Parties to The Trust – the Investment Manager*"
23(1)(j)	Description of how the AIFM ensures a fair treatment of investors and a description of any preferential treatment or the right to obtain preferential treatment obtained by any investors	The principles of treating Unitholders fairly include, but are not limited to acting in the best interest of the Trust and the Unitholders; managing the Trust with regard to its objectives, investment policy and its risk profile; ensuring that fair, correct and transparent valuation models are used; preventing undue costs being charged to the Trust and Unitholders; taking all reasonable steps to avoid conflicts of interests and, when they cannot be avoided, identifying, managing, monitoring and, where applicable, disclosing those conflicts of interest to prevent them from adversely affecting the interests of Unitholders; and recognizing and dealing with complaints fairly.
23(1)(k)	Latest annual report	Not applicable (at this date, no annual report has been issued in respect of the Trust).
23(1)(l)	Procedure and conditions for this issue and sale of Interests	See "*Distribution*".
23(1)(m)	Latest net asset value of the AIF	See "*Annexure A – Valuation Report*"
23(1)(n)	Historical performance of the AIF, where available	See "*Combined Financial Statements*"
23(1)(o)	Identity of the prime broker and a description of any material arrangements of the AIF with its prime brokers and the way the conflicts of interest in relation thereto are managed and information about any transfer of liability to the prime broker that may exist	The Trust does not have a prime broker.
23(1)(p)	Description of how any changes to liquidity or leverage provisions of the AIF will be disclosed to Bidders	The information required pursuant to Articles 23(4) and 23(5) will be set out in annual reports and notices issued by the Trust and notifications issued by the stock exchanges in India and SEBI.
23(2)	Any arrangement made by the depositary to contractually discharge itself of liability and any changes with respect to depositary liability	As a non-EEA AIF, the Trust is not required to have a depositary unless Bidders from certain EEA member states acquire interests in the Trust pursuant to the national private placement regimes in such Member States. The Investment Manager reserves the right to appoint a depositary if necessary. The duties of the depositary will be owed contractually to the Trust and/or the Investment Manager and accordingly the Bidders in the Trust will have no direct rights against the depositary.