

This is an abridged version of the Offer Document (“Abridged Offer Document”) containing salient features of the offer document of POWERGRID Infrastructure Investment Trust dated April 22, 2021 (the “Offer Document”). You are encouraged to read further details available in the Offer Document.

**THIS DOCUMENT CONSISTS OF FOUR PAGES OF APPLICATION FORM ALONG WITH INSTRUCTIONS AND EIGHT PAGES OF THE ABRIDGED OFFER DOCUMENT. PLEASE ENSURE THAT YOU HAVE RECEIVED ALL THE PAGES.**

You may obtain copies of the Bid cum Application Form and the Abridged Offer Document from the Designated Intermediaries at the Bidding Centers, at the offices of the Lead Managers, the Syndicate Member and at the principal place of business of POWERGRID Infrastructure Investment Trust. An electronic copy of the Bid cum Application Form will also be available for download on the websites of the NSE ([www.nseindia.com](http://www.nseindia.com)) and the BSE ([www.bseindia.com](http://www.bseindia.com)). You may download the Offer Document from the websites of the Securities and Exchange Board of India (the “SEBI”) at [www.sebi.gov.in](http://www.sebi.gov.in), the Lead Managers at [www.icicisecurities.com](http://www.icicisecurities.com), [www.axiscapital.co.in](http://www.axiscapital.co.in), [www.edelweissfn.com](http://www.edelweissfn.com), <https://www.business.hsbc.co.in/en-gb/in/generic/ipo-open-offer-and-buyback> and the respective websites of the Stock Exchanges at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com). All capitalized terms used herein and not specifically defined shall have the same meaning as ascribed to them in the Offer Document. **Restrictions:** This Abridged Offer Document may only be accessed by investors outside of India that have read the Preliminary Offering Memorandum of POWERGRID Infrastructure Investment Trust dated April 22, 2021, a copy of which is available to eligible investors from the Lead Managers.



### POWERGRID Infrastructure Investment Trust

**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@pginvt.in](mailto:investors@pginvt.in); **Website:** [www.pginvt.in](http://www.pginvt.in)

SPONSOR POWER GRID CORPORATION OF INDIA LIMITED	INVESTMENT MANAGER POWERGRID UNCHAHAR TRANSMISSION LIMITED	TRUSTEE IDBI TRUSTEESHIP SERVICES LIMITED
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POWERGRID INFRASTRUCTURE INVESTMENT TRUST (THE “TRUST”) IS ISSUING UP TO [●] UNITS FOR CASH AT A PRICE OF ₹ [●] PER UNIT AGGREGATING UP TO ₹ 49,934.84 MILLION (THE “FRESH ISSUE”) AND THE SELLING UNITHOLDER IS OFFERING UP TO [●] UNITS AGGREGATING UP TO ₹ [●] 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”). THE PRICE BAND AND THE MINIMUM BID SIZE (AS DETERMINED BY THE INVESTMENT MANAGER AND THE SELLING UNITHOLDER IN CONSULTATION WITH THE LEAD MANAGERS) WILL BE 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 OF THE OFFER DOCUMENT.

The 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 shall be available for allocation on a proportionate basis to Institutional Investors, 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, 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 of the Offer Document.

#### INDICATIVE OFFER TIMELINES

<b>BID/OFFER OPENING DATE</b>	<b>Thursday, April 29, 2021<sup>(1)</sup></b>	<b>CLOSING DATE</b>	<b>On or about Tuesday, May 11, 2021</b>
<b>BID/OFFER CLOSING DATE</b>	<b>Monday, May 3, 2021</b>	<b>DESIGNATED DATE</b>	<b>On or about Tuesday, May 11, 2021</b>
<b>FINALISATION OF THE BASIS OF ALLOTMENT</b>	<b>On or about Monday, May 10, 2021</b>	<b>INITIATION OF REFUNDS</b>	<b>On or about Tuesday, May 11, 2021</b>
		<b>LISTING DATE</b>	<b>On or about Monday May 17, 2021</b>

<sup>(1)</sup> The Anchor Investor Bidding Date shall be 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 inability on POWERGRID Infrastructure Investment Trust, the Investment Manager, the Trustee or the Lead Managers.

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## GENERAL RISKS

Investments in Units involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the section entitled “Risk Factors” on page 50 of the Offer Document before taking an investment decision relating to the Offer. For taking an investment decision, investors must rely on their own examination of the Trust and the Offer, including the risks involved. The Units have not been recommended by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of the Offer Document. Specific attention of the investors is invited to the section entitled “Risk Factors” on page 50 of the Offer Document and on page 8 of this Abridged version of the Offer Document.

THE UNITS HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR ANY STATE SECURITIES LAWS OF 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 U.S. SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. ACCORDINGLY, THE UNITS ARE BEING OFFERED AND SOLD (I) WITHIN THE UNITED STATES ONLY TO PERSONS REASONABLY BELIEVED TO BE “QUALIFIED INSTITUTIONAL BUYERS” (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) IN TRANSACTIONS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (II) OUTSIDE THE UNITED STATES IN RELIANCE ON REGULATION S UNDER THE U.S. SECURITIES ACT AND THE APPLICABLE LAWS OF THE JURISDICTION WHERE THOSE OFFERS AND SALES OCCUR.

## SUMMARY OF THE TERMS OF THE OFFER

Infrastructure Investment Trust	Sponsor and Project Manager	Investment Manager
<b>POWERGRID INFRASTRUCTURE INVESTMENT TRUST</b> Plot No. 2, Sector 29, Gurgaon 122 001 <b>Tel:</b> +91 124 282 3177; <b>Fax:</b> +91 124 282 3180 <b>Compliance Officer:</b> Anjana Luthra <b>E-mail:</b> investors@pginvt.in <b>Website:</b> www.pginvt.in	<b>POWER GRID CORPORATION OF INDIA LIMITED</b> Plot No-2, Sector-29, Gurgaon 122 001 <b>Tel:</b> +91 124 282 2077; <b>Fax:</b> +91 124 282 1969 <b>Contact Person:</b> Mrinal Srivastava <b>Email:</b> mrinal@powergrid.in <b>Website:</b> www.powergrid.in	<b>POWERGRID UNCHAHAR TRANSMISSION LIMITED</b> Plot No-2, Sector-29, Gurgaon 122 001 <b>Tel:</b> +91 124 282 3177; <b>Fax:</b> +91 124 282 3180 <b>Contact Person:</b> Anjana Luthra <b>Email:</b> investors@putl.in <b>Website:</b> www.putl.in
Trustee	Registrar to the Offer	
<b>IDBI TRUSTEESHIP SERVICES LIMITED</b> Asian Building, Ground Floor, 17, R. Kamani Marg Ballard Estate, Mumbai 400 001 <b>Tel:</b> +91 22 4080 7000; <b>Fax:</b> +91 22 6631 1776 <b>E-mail:</b> rmitra@idbitrustee.com / paridhi@idbitrustee.com <b>Contact Person:</b> Ritobrata Mitra / Paridhi Doshi <b>Website:</b> www.idbitrustee.com	<b>KFIN TECHNOLOGIES PRIVATE LIMITED</b> <i>(Formerly known as “Karvy Fintech Private Limited”)</i> Selenium Tower B, Plot No. 31 & 32, Financial District, Nanakramguda, Serilingampally, Hyderabad 500 032 <b>Tel:</b> +91 40 6716 2222; <b>Fax:</b> +91 40 2343 1551 <b>E-mail:</b> powergrid.invit@kfintech.com; <b>Website:</b> www.kfintech.com <b>Investor grievance e-mail:</b> einward.ris@kfintech.com <b>Contact Person:</b> M Murali Krishna; <b>SEBI Registration No.:</b> INR000000221	

## LEAD MANAGERS

	
<b>ICICI Securities Limited</b> ICICI Centre, H.T. Parekh Marg Churchgate, Mumbai 400 020 <b>Tel:</b> +91 22 2288 2460; <b>Fax:</b> +91 22 2282 6580 <b>E-mail:</b> pgcil.invit@icicisecurities.com <b>Investor grievance E-mail:</b> customercare@icicisecurities.com	<b>Axis Capital Limited</b> 1 <sup>st</sup> Floor, Axis House, C 2, Wadia International Centre, Pandurang Budhkar Marg, Worli, Mumbai 400 025 <b>Tel:</b> +91 22 4325 2183; <b>Fax:</b> +91 22 4325 3000 <b>Email:</b> pgcil.invit@axiscap.in <b>Investor grievance id:</b> complaints@axiscap.in
	
<b>Edelweiss Financial Services Limited</b> 6 <sup>th</sup> Floor, Edelweiss House, Off C.S.T. Road, Kalina, Mumbai 400 098 <b>Tel:</b> +91 22 4009 4400; <b>Fax:</b> +91 22 4086 3610 <b>E-mail:</b> project.pgcil@edelweissfin.com <b>Investor grievance E-mail:</b> customerservice.mb@edelweissfin.com	<b>HSBC Securities and Capital Markets (India) Private Limited</b> 52/60, Mahatma Gandhi Road, Fort, Mumbai 400 001 <b>Tel:</b> +91 22 2268 5555; <b>Fax:</b> +91 22 6653 6207 <b>E-mail:</b> projecpgcil@hsbc.co.in <b>Investor grievance e-mail:</b> investorgrievance@hsbc.co.in

**Listing:** 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. For an indicative timetable in relation to the Offer, see section entitled “Offer Structure” on page 250 of the Offer Document.

**Syndicate Member:** Edelweiss Securities Limited

**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](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

**Registrar and Share Transfer Agents :** 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/ipo/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipo/asba_procedures.htm), respectively, as updated from time to time.

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**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](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

**Offer Size:** POWERGRID Infrastructure Investment Trust is issuing up to [●] Units for cash at a price of [●] per Unit aggregating upto ₹ 49,934.84 million and the Selling Unitholder is offering up to [●] units aggregating up to ₹ [●] million.

**Option to retain oversubscription:** There is no oversubscription that is proposed to be retained in the Offer.

**Offer Price:** 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 will be decided by the Investment Manager and the Selling Unitholder in consultation with the Lead Managers on the Pricing Date.

**Face Value:** The Units of POWERGRID Infrastructure Investment Trust do not have any face value. Each Unit represents an undivided beneficial interest in POWERGRID Infrastructure Investment Trust.

**Minimum Application:** Minimum Application of such number of Units such that the minimum Bid size is not less than ₹ 100 million. The minimum application size for Anchor Investors, bidding in the Anchor Investor Portion shall be not less than ₹ 100 million.

**Minimum Bid Size:** ₹ 0.10 million

**Pay-in Date:** Last date specified in the CAN for payment of application monies by the Allottees

**Statutory Auditors of the Trust:** S.K. Mittal & Co., Chartered Accountants

**Expected Date of Allotment:** On or about May 11, 2021

**Issuance mode of the Instrument:** Units will be Allotted to all successful Bidders only in dematerialised form

**Depositories:** NSDL and CDSL

**ISIN :** INE0GGX23010

**Bid Lot:** [●] Units and in multiples of [●] Units thereafter

## OBJECTS OF THE OFFER

The proceeds of the Fresh Issue will be up to ₹ 49,934.84 million. The Offer Proceeds will be utilised towards the following objects:

A) 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 B) general purposes.

## RELEVANT FINANCIAL RATIOS

*Enterprise Value / Cash flows from operations ratio in relation to Offer Price*

*(in ₹ million)*

Particulars	Amount
Cash flows from operations for the financial year ended March 31, 2020	10,521.47*
Cash flows from operations for the financial year ended March 31, 2022	12,085.81**
Cash flows from operations for the financial year ended March 31, 2023	11,684.89**
Cash flows from operations for the financial year ended March 31, 2024	11,373.88**

\*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 of the Offer Document. Also see the section entitled "Risk Factors" on page 50 of the Offer Document.

## BRIEF DESCRIPTION OF THE ASSETS PROPOSED TO BE ACQUIRED BY POWERGRID INFRASTRUCTURE INVESTMENT TRUST

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 <sup>(1)</sup>	
2.	POWERGRID Kala Amb Transmission Limited	LILO of both circuits of Karcham Wangtoo – Abdullapur transmission line at Kala Amb substation (on M/C towers)	400 kV D/C	2.47	-	July 12, 2017	July 11, 2052
		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 <sup>(2)</sup>	

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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
4.	<b>POWERGRID Warora Transmission Limited</b>	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 <sup>(3)</sup>	
5.	<b>POWERGRID Jabalpur Transmission Limited</b>	Vindhyachal Pooling Station- Jabalpur Pooling Station	765 kV D/C	745.05	-	June 25, 2018 <sup>(4)</sup>	June 24, 2053
<b>Total</b>				<b>3,698.59</b>	<b>6,630</b>		

\* As per the interim arrangement, LILO of existing Seoni-Bina 765kV S/C line at Gadawara 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 Gadawara 765/400kV Pooling Station to form the proposed Gadawara-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.

**CAPITAL STRUCTURE OF THE INITIAL PORTFOLIO ASSETS**

The Trust's Initial Portfolio Assets comprise PVTL, PKATL, PPTL, PWTL and PJTL.

*Capital structure of PVTL*

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on December 31, 2020	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	220,000,000	[●]
Issued, subscribed and paid-up capital	209,730,000	[●]

The Sponsor (jointly with its nominees) holds 100% of the issued, subscribed and paid-up share capital of PVTL as on December 31, 2020.

*Capital structure of PKATL*

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on December 31, 2020	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	61,000,000	[●]
Issued, subscribed and paid-up capital	61,000,000	[●]

The Sponsor (jointly with its nominees) holds 100% of the issued, subscribed and paid-up share capital of PKATL as on December 31, 2020.

*Capital structure of PPTL*

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on December 31, 2020	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	350,000,000	[●]
Issued, subscribed and paid-up capital	322,100,000	[●]

The Sponsor (jointly with its nominees) holds 100% of the issued, subscribed and paid-up share capital of PPTL as on December 31, 2020.

*Capital structure of PWTL*

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on December 31, 2020	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	425,000,000	[●]
Issued, subscribed and paid-up capital	393,300,000	[●]



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The Sponsor (jointly with its nominees) holds 100% of the issued, subscribed and paid-up share capital of PWTL as on December 31, 2020.

### Capital structure of PJTL

Particulars	Number of equity shares of ₹ 10 each on a pre-Offer basis as on December 31, 2020	Number of equity shares of ₹ 10 each on a post-Offer basis
Authorised capital	300,000,000	●
Issued, subscribed and paid-up capital	226,910,000	●

The Sponsor (jointly with its nominees) holds 100% of the issued, subscribed and paid-up share capital of PJTL as on December 31, 2020.

For further details in relation to the Initial Portfolio Assets, please see the section entitled “Our Business” on 138 in the Offer Document.

## BRIEF DETAILS OF VALUATION OF THE INITIAL PORTFOLIO ASSETS

The valuation of the Initial Portfolio Assets has been done by RBSA Valuation Advisors LLP (the “Valuer”) and the valuation report issued by the Valuer sets out their opinion as to the fair enterprise value of the Initial Portfolio Assets as on December 31, 2020.

The valuation of each of the Initial Portfolio Assets is estimated using the Discounted Cash Flow Method.

### Valuation

The key assumptions of the projections provided to us by the management are as follow

#### Key Assumption

- Transmission Revenue:** The transmission revenue of the company comprises of non escalable transmission revenue and escalable transmission revenue in one of the IPA, as provided in the TSA for the life of the project.
- Non Escalable Transmission Revenue:** The Non Escalable Transmission revenue remains fixed for the entire life of the project. We have corroborated the non-escalable transmission revenue provided by the management in the financial projection with the TSA.
- Escalable Transmission Revenue:** Escalable Transmission revenue is the revenue component where the revenue is duly escalated each year based on the escalation rate notified by CERC. Escalation rate as provided by the management has been considered for the purpose of valuation.
- Incentives:** As provided in the respective TSA, if the annual availability exceeds 98%, the IPA shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. As represented to us by the management, the annual availability shall be above 98% where the IPA shall be entitled to the incentives as provided in the TSA.
- Penalty:** If the annual availability in a contract year falls below 95%, the IPA shall be entitled for an annual penalty as provided in the TSA. As represented to us by the management, the annual availability shall not fall below 95% and thus the penalty has not been considered in the financial projections.
- Operations & Maintenance (“O&M”):** O&M expenditure are estimated for the projected period based on the O&M agreement and management estimates.
- Depreciation:** The book depreciation has been calculated using Straight Line Method over the life of the project for calculating depreciation for the projected period. For the purpose of Income Tax, we have considered depreciation rate as specified in the Income Tax Act and WDV as per Income Tax Return filed by the Company.
- Tax Incentive:** One of the SPV is eligible for tax holiday under section 80IA of Income Tax Act. Such tax holiday shall be available for any 10 consecutive years out of 15 years beginning from the date of COD.
- Working Capital:** The management and representatives of the Company have envisaged the working capital requirement of the SPVs for the projected period. The operating working capital assumptions for the projections as provided by the management comprises of trade receivables and unbilled revenue.

The Valuation of each SPV can be summarized 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

For further details in relation to the valuation of the Initial Portfolio Assets, please see the section entitled “Valuation Report” in Annexure A of the Offer Document.

## BRIEF DETAILS OF POLICY OF DISTRIBUTIONS TO THE UNITHOLDERS

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 of the Offer Document.

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 NATURE OF ABRIDGED VERSION OF THE OFFER DOCUMENT - MEMORANDUM CONTAINING SALIENT FEATURES OF THE OFFER DOCUMENT**

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; 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.”

For further details in relation to the Distribution Policy, please see the section entitled “Distribution” on page 194 of the Offer Document.

**BRIEF DETAILS OF FEE AND EXPENSES CHARGED OR CHARGEABLE TO  
POWERGRID INFRASTRUCTURE INVESTMENT TRUST**

**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**
<b>Total</b>	<b>118.62**</b>

\* 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:

- ₹ 72,500,000 per annum, in relation to the Initial Portfolio Assets; and
- 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.

**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.

**TOP FIVE RISK FACTORS**

- 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 (“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.
- 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.

**DECLARATION BY THE INVESTMENT MANAGER**

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 the 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 the Offer Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

**DECLARATION BY THE SPONSOR**

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 the 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 the Offer Document, are material, true, correct, not misleading and adequate in order to enable the Bidders to make a well informed decision.

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