



SUSTAINABLE ENERGY INFRA TRUST

(Registered in the Republic of India as a contributory irrevocable trust set up under the Indian Trusts Act, 1882, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on August 11, 2023 having registration number IN/InvIT/23-24/0027)

Principal place of business: Mahindra Towers, Pandurang Budhkar Marg, Near Doordarshan Kendra, Worli, Mumbai 400018

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Sponsor 2726522 Ontario Limited	Sponsor Mahindra Susten Private Limited	Investment Manager Sustainable Energy Infra Investment Managers Private Limited	Trustee Axis Trustee Services Limited

Sustainable Energy Infra Trust (the "Trust") is proposing an initial offer of up to [●] Units through a private placement at a price of ₹ [●] per Unit (the "Offer Price"), aggregating up to ₹ 23,500 million (the "Offer"). The Offer comprises a fresh issue of up to [●] Units, aggregating up to ₹ 14,500 million by the Trust (the "Fresh Issue") and offer for sale of up to [●] Units aggregating up to ₹ 9,000 million by the Selling Unitholder (as defined herein) (the "Offer for Sale").

THIS OFFER, AND THE DISTRIBUTION OF THIS DRAFT PLACEMENT MEMORANDUM, IS BEING MADE ONLY TO ELIGIBLE INVESTORS IN RELIANCE UPON REGULATION 14(2) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014

The Units are proposed to be listed on the National Stock Exchange of India Limited ("NSE") (the "Stock Exchange"). In-principle approval for listing of the Units has been received from NSE pursuant to letter dated [●]. NSE is the Designated Stock Exchange. Application shall be made to the Stock Exchange for obtaining the final listing and trading approval for the Units to be Allotted pursuant to the Offer. The Stock Exchange assumes no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Units to be Allotted pursuant to the Offer for trading on the Stock Exchange should not be taken as an indication of the merits of the Trust or of the Units.

This being an initial offer by the Trust and an offer for sale by the Selling Unitholder, there has been no formal market for the Units. The Offer Price (determined and justified by the Investment Manager and Sponsors in consultation with the Placement Agents), should not be taken to be indicative of the market price of the Units after the Units are listed. No assurance can be given regarding an active or sustained market for trading in the Units or regarding the price at which the Units will be traded after listing. A copy of this Draft Placement Memorandum has been filed with the Securities and Exchange Board of India ("SEBI") and delivered to the Stock Exchange and a copy of the Placement Memorandum and the Final Placement Memorandum will be delivered to the SEBI and the Stock Exchange. This Draft Placement Memorandum has not been, and will not be, registered as a prospectus, will not be circulated or distributed to the public at large in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act") 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 U.S. state securities laws. Accordingly, the Units are being offered and sold in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act ("Regulation S") and the applicable law of the jurisdictions where such offers and sales occur. The Units are transferable only in accordance with the restrictions described under the section titled "Selling and Transfer Restrictions" on page 332 of this Draft Placement Memorandum.

The Investment Manager, having made all reasonable inquiries confirms that this Draft Placement Memorandum contains all information with regard to the Trust, the Units and the Offer, which is material in the context of the Offer, that the information contained in this Draft Placement Memorandum is true, correct and adequate in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with the Investment Manager and that there are no other facts, the omission of which makes this Draft Placement Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

THE PLACEMENT MEMORANDUM SHALL BE PERSONAL TO EACH ELIGIBLE INVESTOR. THIS DRAFT PLACEMENT MEMORANDUM HAS BEEN PREPARED BY THE TRUST SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE OFFER. YOU MAY NOT, AND ARE NOT AUTHORIZED TO, (1) DELIVER THIS DRAFT PLACEMENT MEMORANDUM TO ANY OTHER PERSON; OR (2) REPRODUCE THIS DRAFT PLACEMENT MEMORANDUM IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS DRAFT PLACEMENT MEMORANDUM, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014 OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

INVESTMENTS IN THE UNITS INVOLVE RISKS AND PROSPECTIVE INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE OFFER UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR ENTIRE INVESTMENT. FOR MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TRUST, THE UNITS, THE OFFER, AND THE PLACEMENT MEMORANDUM, INCLUDING THE RISKS INVOLVED. INVESTORS ARE ADVISED TO CAREFULLY READ THE PLACEMENT MEMORANDUM, INCLUDING THE SECTION ENTITLED "RISK FACTORS" AND "RIGHTS OF UNITHOLDERS" ON PAGES 61 AND 338, RESPECTIVELY, BEFORE MAKING AN INVESTMENT DECISION. INVESTORS SHOULD NOT RELY ON THIS DRAFT PLACEMENT MEMORANDUM FOR ANY DECISION TO INVEST IN THE OFFER. THE UNITS HAVE NOT BEEN RECOMMENDED BY SEBI NOR DOES SEBI GUARANTEE ACCURACY OR ADEQUACY OF THE CONTENTS OF THE DRAFT PLACEMENT MEMORANDUM. EACH ELIGIBLE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS, ABOUT THE CONSEQUENCES OF AN INVESTMENT IN THE UNITS BEING ISSUED PURSUANT TO THE PLACEMENT MEMORANDUM.

Unless a serially numbered Placement Memorandum along with an Application Form is addressed to a particular Eligible Investor, no invitation to offer shall be deemed to have been made to such Eligible Investor to make an offer to subscribe to Units on private placement basis pursuant to the Offer. For further details, please see the section entitled "Offer Information" on page 344. The distribution of the Placement Memorandum or the disclosure of its contents without the Trustee's or Investment Manager's prior consent, to any person, other than to the addressees, shall be unauthorized and prohibited. Each addressee, by accepting delivery of the Placement Memorandum, shall agree to observe the foregoing restrictions and to make no copies of the Placement Memorandum or any documents referred to in the Placement Memorandum.

The information on the websites of the Sponsors, the Investment Manager, the Project Manager, the Trust or the Placement Agents, as applicable, any website directly or indirectly linked to such websites, or the website of the Trustee, does not form part of this Draft Placement Memorandum and prospective investors should not rely on such information contained in, or available through, any such websites.

PLACEMENT AGENTS			REGISTRAR AND UNIT TRANSFER AGENT
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This Draft Placement Memorandum is dated September 26, 2023.

The information in this Draft Placement Memorandum is not complete and may be changed. The Offer is meant only for Eligible Investors on a private placement basis and is not an offer to the public or to any other class of investors to purchase the Units. This Draft Placement Memorandum is not an offer to sell any Units and is not soliciting an offer to subscribe or buy the Units in any jurisdiction where such offer or sale is not permitted. It is being issued for the sole purpose of information or discussion relating to the Units that may be Allotted through the Placement Memorandum and the Final Placement Memorandum.

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NOTICE TO INVESTORS

The statements contained in this Draft Placement Memorandum relating to the Trust and the Units are, in all material respects, true and accurate and not misleading, to enable the investors to make an informed decision. The opinions and intentions expressed in this Draft Placement Memorandum 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 with the Investment Manager, the Sponsors or both, the Investment Manager and the Sponsors, as applicable. There are no other 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 Draft Placement Memorandum misleading in any material respect. Further, each of the Investment Manager and the Sponsors has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements disclosed in this Draft Placement Memorandum in all material respects.

The Placement Agents have not separately verified all information (financial, legal or otherwise) contained in this Draft Placement Memorandum. Accordingly, the Placement Agents or any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates do not make any express or implied representation, warranty or undertaking, and accept no responsibility or liability as to the accuracy or completeness of the information contained in this Draft Placement Memorandum or any other information supplied in connection with the Offer or the distribution of the Units, other than in relation to themselves. Each Eligible Investor receiving this Draft Placement Memorandum acknowledges that such person has neither relied on the Placement Agents nor any of its shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with their investigation of the accuracy of such information or such person's investment decision. Each Eligible Investor must rely on its own examination of the Trust and the merits and risks involved in investing in the Units. Eligible Investors should not construe the contents of this Draft Placement Memorandum as legal, tax, accounting or investment advice. Each Eligible Investor receiving this Draft Placement Memorandum acknowledges that in making an investment decision, such investor has relied solely on the information contained in this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum and not on any other disclosure or representation by the Investment Manager, the Project Manager, the Trustee, the Sponsors, the Placement Agents, the Selling Unitholder or any other party. Save as expressly stated in this Draft Placement Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance of the Trust.

No person is authorized to give any information or to make any representation not contained in this Draft Placement Memorandum 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 Sponsors, the Investment Manager, the Selling Unitholder or the Placement Agents. The delivery of this Draft Placement Memorandum, at any time, does not imply that the information contained in it is correct as of any time subsequent to its date. This Draft Placement Memorandum shall not be relied upon by, and the Investment Manager, the Trustee, the Sponsors, the Project Manager, the Selling Unitholder and/or the Placement Agents shall not be liable to, any subsequent acquirer, transferee or investor of the Units.

This Draft Placement Memorandum is personal to each Eligible Investor.

This Draft Placement Memorandum contains summaries of some terms of certain documents which are qualified in their entirety by the terms and conditions of those documents.

The distribution of this Draft Placement Memorandum and the Placement Memorandum or the disclosure of its contents to any person, other than the Eligible Investors to whom it is addressed and those retained by such Eligible Investors to enable them to make a decision with respect to their purchase of the Units, is unauthorized and prohibited. Each Eligible Investor, by accepting delivery of this Draft Placement Memorandum, agrees to observe the foregoing restrictions and make no copies of this Draft Placement Memorandum or any other material in connection with the Offer or the Units.

Certain U.S. Matters

The Units to be issued pursuant to the Offer have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission ("**SEC**"), any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Offer or the accuracy or adequacy of this Draft Placement Memorandum. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Units have not been and will not be registered under 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 in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur. The Units are transferable only in accordance with the restrictions described under the section "*Selling and Transfer Restrictions*" on page 332 of this Draft Placement Memorandum.

Each purchaser of the Units offered by the Placement Memorandum will be deemed to have made the representations, agreements and acknowledgments as described in this section entitled “*Notice to Investors-Representations by Eligible Investors*” on page 2 and in the section entitled “*Selling and Transfer Restrictions*” on page 332.

Notice to Investors in certain other jurisdictions

The distribution of this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum and the offer of the Units in certain jurisdictions may be restricted by law. As such, this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum do 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 authorized 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 Placement Agents which would permit an offer of the Units or distribution of this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum in any jurisdiction, other than India. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum nor any Offer materials in connection with the Units be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction. Please see the section entitled “*Selling and Transfer Restrictions*” on page 332.

THE VALUE OF THE UNITS AND THE INCOME DERIVED FROM THEM MAY FLUCTUATE, THE UNITS ARE NOT OBLIGATIONS OF, DEPOSITS IN, OR GUARANTEED BY THE TRUST, THE TRUSTEE, THE SPONSORS, THE INVESTMENT MANAGER, THE PLACEMENT AGENTS, THE SELLING UNITHOLDER OR ANY OF THEIR RESPECTIVE SHAREHOLDERS, EMPLOYEES, COUNSEL, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, ASSOCIATES OR AFFILIATES. AN INVESTMENT IN THE UNITS IS SUBJECT TO INVESTMENT RISKS, INCLUDING THE POSSIBLE LOSS OF THE PRINCIPAL AMOUNT INVESTED, FURTHER, LISTING OF THE UNITS ON THE STOCK EXCHANGE DOES NOT GUARANTEE A LIQUID MARKET FOR THE UNITS. INVESTORS HAVE NO RIGHT TO REQUEST THE TRUST, THE TRUSTEE, THE SPONSOR, THE SELLING UNITHOLDER OR THE INVESTMENT MANAGER OR ANY OF THEIR RESPECTIVE SHAREHOLDERS, EMPLOYEES, COUNSEL, OFFICERS, DIRECTORS, REPRESENTATIVES, AGENTS, ASSOCIATES OR AFFILIATES TO REDEEM THEIR UNITS WHILE THE UNITS ARE LISTED, UNLESS OTHERWISE PERMITTED BY APPLICABLE LAW. THE PERFORMANCE OF ANY OF THE LISTED UNITS OF THE TRUST IS NOT NECESSARILY INDICATIVE OF THE FUTURE PERFORMANCE OF THE UNITS OF THE TRUST.

Representations by Eligible Investors

References herein to “you” or “your” is to each Eligible Investor in the Offer.

By purchasing, or subscribing to, the Units pursuant to the Offer, you are deemed to have represented to the Trustee, the Investment Manager, the Sponsors, the Selling Unitholder and the Placement Agents, and acknowledge and agree as follows:

1. You are an “Institutional Investor” as defined in Regulation 2(1)(ya) of InvIT Regulations or a “Body Corporate” as defined in Regulation 2(1)(d) of InvIT Regulations, and are eligible under applicable laws and regulations of India, and undertake (i) to acquire, hold, manage or dispose of any of the Units that are Allotted to you in accordance with InvIT Regulations, other applicable laws and under the laws of all relevant jurisdictions; and (ii) that you are entitled to acquire and have all necessary capacity and have obtained all necessary consents, governmental or otherwise and authorisations to enable you to commit to this participation in the Offer and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum) and will honour such obligations;
2. You will make all necessary filings and reportings, in relation to the Offer and your investment in the Units, with appropriate governmental, statutory or regulatory authorities, including the RBI, as may be required, in accordance with applicable law in India and in your respective jurisdiction, as applicable;
3. You agree to provide on request in a timely manner, and consent to the use and disclose (including to any taxation or other regulatory authorities) of, any information or documentation in relation to yourself and, if and to the extent required, the direct or indirect beneficial ownership of your Units (if any), as may be necessary for the Trust (or the Trustee and its agents) and the Investment Manager to comply with any regulatory obligations and/or prevent the withholding of tax or other penalties under FATCA, the CRS or other similar and applicable exchange of tax information regimes. You acknowledge and agree that you shall have no claim against the Trust (or the Trustee and its agents) and the Investment Manager for any losses suffered by you (including in relation to the direct or indirect beneficial ownership of your Units (if any) as a result of such use or disclosure of such information or documentation to any regulatory, governmental or statutory authority.

4. You are aware that the Units have not been and will not be registered through a prospectus under the InvIT Regulations, or under any other law in force in India, and no Units will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Institutional Investors and Bodies Corporate. This Draft Placement Memorandum shall be filed with the Stock Exchange and SEBI and would be displayed on the websites of SEBI and the Stock Exchange;
5. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Trust or its agents (“**Presentations**”) with regard to the Trust, the Units or the Offer; or (ii) if you have participated in or attended any Presentations, you understand and acknowledge that the Placement Agents or the Trustee may not have knowledge of the statements that the Trust, the Sponsors or their respective agents may have made at such Presentations and are therefore unable to determine whether the information provided to you at such Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Placement Agents, the Trustee (or its agents), the Investment Manager or the Sponsors have advised you not to rely in any way on any information that was provided to you at such Presentations;
6. None of the Sponsors, the Investment Manager, the Project Manager, the Trustee or the Placement Agents or any of their respective shareholders, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Offer and that participation in the Offer is on the basis that you are not and will not, up to the Allotment, be a client of the Placement Agents. None of the Sponsors, the Trustee, the Investment Manager, the Project Manager, the Placement Agents or any of their respective shareholders, employees, counsel, officers, directors, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients, or for providing advice in relation to the Offer and are in no way acting in a fiduciary capacity towards you;
7. All statements, other than statements of historical fact included in this Draft Placement Memorandum, including, without limitation, those regarding the Trust’s financial position, business strategy, plans and objectives for future operations, the Investment Objectives, and the Projections of Revenue from Operations and Cash Flow from Operating Activities, are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from the results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on certain assumptions regarding the Trust’s present and future business strategies and the environment in which the Trust will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as of the date of this Draft Placement Memorandum, and not regard such statements to be a guarantee or assurance of our future performance or return to investors. The Trust, the Trustee, the Sponsors, the Placement Agents and the Investment Manager or any of their respective shareholders, directors, officers, employees, counsel, representatives, advisors, agents, associates or affiliates assume no responsibility to update any of the forward-looking statements contained in this Draft Placement Memorandum;
8. You have read this Draft Placement Memorandum in its entirety, including, in particular, the section entitled “*Risk Factors*” on page 61;
9. You will be provided a serially numbered copy of the Placement Memorandum and will be deemed to have read the Placement Memorandum, in its entirety, including, in particular, the section entitled “*Risk Factors*” on page 61;
10. You are aware and understand that the Units are being offered only to Eligible Investors through the Placement Memorandum and the Final Placement Memorandum and are not being offered to the general public and the Allotment shall be on a discretionary basis;
11. You are permitted to acquire the Units under the laws of any applicable jurisdiction and that you have necessary capacity and authority, and have obtained all necessary consents and authorisations to enable you to commit to this participation in the Offer and to perform your obligations in relation thereto (including, without limitation, on behalf of any person) and honour such obligations;
12. You undertake to (i) hold, manage or dispose of any Units that are Allotted to you in accordance with the InvIT Regulations and all other applicable laws; and (ii) to comply with all requirements under applicable law in relation to reporting obligations, if any, in this relation;
13. You have made, or are deemed to have made, as applicable, the representations provided in the section entitled “*Selling and Transfer Restrictions*” on page 332
14. You are not acquiring or subscribing for the Units as a result of any “directed selling efforts” (as defined in Regulation S);

15. You are subscribing for the Units in an “offshore transaction” as defined in Regulation S, and are not an affiliate of the Trust or the Placement Agents or a person acting on behalf of such an affiliate;
16. You agree and acknowledge that, in the event you hold more than ten percent of the total outstanding units of the Trust, you shall comply with the stewardship code as specified in Schedule VIII of the InvIT Regulations.
17. You understand and agree that the Units are transferable only in accordance with the restrictions described in the section entitled “*Selling and Transfer Restrictions*” on page 332, and you warrant that you will comply with such restrictions;
18. In making your investment decision, you have (i) relied on your own examination of the Trust, the Units and the terms of the Offer, including the merits and risks involved, (ii) made and will continue to make your own assessment of the Trust, the Units and the terms of the Offer based solely on the information contained in this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in this Draft Placement Memorandum and the Placement Memorandum, and no other disclosure or representation by the Sponsors or the Investment Manager or any other party; (v) received all information in this Draft Placement Memorandum and the Placement Memorandum that you believe is necessary or appropriate in order to make an investment decision in respect of the Trust and the Units, and (vi) relied upon your own investigation in deciding to invest in the Offer;
19. You have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Units. You and any accounts for which you are subscribing to the Units, (i) are each able to bear the economic risk of the investment in the Units; (ii) will not, subject to the terms of this Draft Placement Memorandum, the Placement Memorandum and the Final Placement Memorandum, look to any of the Investment Manager, the Trustee, the Sponsors, the Selling Unitholder or the Placement Agents or any of their respective shareholders, employees, counsel, officers, directors, representatives, financial advisors, agents or affiliates for all, or part, of any such loss or losses that may be suffered due to your investment in the Units; and (iii) are able to sustain a complete loss on the investment in the Units; (iv) have no need for immediate liquidity with respect to the investment in the Units, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Units. You acknowledge that an investment in the Units involves a high degree of risk and that the Units are, therefore, a speculative investment. You are seeking to subscribe to the Units in the Offer for your own investment and not with a view to resell or distribute in any manner that could characterise you as an underwriter or similar entity in any jurisdiction;
20. The Trustee, the Sponsors, the Investment Manager, the Placement Agents, the Selling Unitholder or any of their respective shareholders, directors, officers, employees, counsel, representatives, advisors, agents or affiliates have not provided you with any legal, financial or tax advice or otherwise made any representations regarding the tax consequences of the Units (including but not limited to the Offer and the use of the proceeds of the Offer). You will obtain your own independent legal, financial or tax advice and will not rely on the Investment Manager, the Sponsors, the Trustee, the Placement Agents, the Selling Unitholder or any of their respective shareholders, employees, counsel, officers, directors, representatives, advisors, agents or affiliates when evaluating the tax consequences in relation to the Units (including but not limited to the Offer and the use of the proceeds of the Offer). You waive and agree not to assert any claim against the Placement Agents, the Sponsors, the Trustee, the Selling Unitholder or the Investment Manager or any of their respective financial advisors, agents or affiliates with respect to the tax aspects of the Units or the Offer or as a result of any tax audits by tax authorities, in relation to the Units and the Offer, wherever situated;
21. You are not the Trustee, or the Valuer or an employee of the Valuer involved in the valuation of the Trust’s Initial Portfolio Assets;
22. You are aware that (i) we have received in-principle approval from NSE dated [●], and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approval for listing and trading of the Units will be obtained in a timely manner, or at all. The Trust, the Trustee, the Placement Agents the Investment Manager, the Selling Unitholder or the Sponsors, shall not be responsible for any delay or non-receipt of such final approval (except to the extent prescribed under the InvIT Regulations) or any loss arising from such delay or non-receipt;
23. You shall not undertake any trade in the Units credited to your demat account until such time that the final listing and trading approval for the Units has been issued by the Stock Exchange;
24. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Units is contained in the Placement Memorandum, such information being all that you deem necessary to make an investment decision in respect of the Units and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Trustee, the Placement Agents, the Investment Manager

or the Sponsors, and neither the Trustee, the Placement Agents, the Investment Manager, the Selling Unitholder nor the Sponsors will be liable for your decision to accept an invitation to participate in the Offer based on any other information, representation, warranty or statement that you have obtained or received;

25. You understand that the Units to be Allotted in this Offer will, when issued, be credited as fully paid and will rank *pari passu* in all respect with all other Units, including in respect of the right to receive all distributions declared, made or paid in respect of the Units after the Allotment. For details, please see the section entitled “*Distribution*” on page 270;
26. You agree to indemnify and hold the Trustee, Investment Manager, the Sponsors, the Selling Unitholder and the Placement Agents harmless from any and all costs, claims, liabilities and expenses (including legal fee and expenses) arising out of or in connection with any breach of the representations and warranties in this section;
27. The Trustee, the Investment Manager, the Sponsors, the Placement Agents, the Selling Unitholder, their respective shareholders, employees, counsel, offices, directors, representatives, agents or affiliates, will rely on the truth and accuracy of the foregoing representations, warranties, acknowledgements and undertakings which are given to the Placement Agents on their own behalf and on behalf of the Trust, the Sponsors, the Investment Manager, the Trustee, the Selling Unitholder and the same are irrevocable;
28. You are eligible to invest in India and in the Units under applicable law, including the FEMA Rules, and have not been prohibited by SEBI or any other statutory, regulatory or judicial authority from buying, selling or dealing in securities;
29. You understand that, subject to the terms of this Draft Placement Memorandum, neither the Placement Agents, the Investment Manager, the Sponsors, the Selling Unitholder nor the Trustee has any obligation to purchase or subscribe to all, or any part, of the Units purchased by you in the Offer, or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Offer;
30. Any dispute arising in connection with the Offer will be governed by, and construed in accordance with, the laws of the Republic of India and the courts at Mumbai, Maharashtra shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with the Offer;
31. You have made, or are deemed to have made, as applicable, the representations provided in this section and each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Units in the Offer; and
32. You are eligible to hold the Units, so Allotted. You are aware that your application for Units and holding after the Allotment of the Units cannot exceed the investment level permissible as per any applicable law and regulations.

Available Information

The Investment Manager agrees to comply with any undertakings given by it from time to time in connection with the Units and, without prejudice to the generality of foregoing, shall furnish to the Unitholders all such information as may be required under the InvIT Regulations.

Disclaimer

This Draft Placement Memorandum does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including listed non-convertible debentures or bonds, if any) that may be issued by the Trust after the listing of the Units. Any person or entity investing in such issue or transaction by the Trust should consult its own advisors. Neither the Placement Agents, nor their associates or affiliates have any responsibility or liability for such issue or transaction by the Trust.

DEFINITIONS AND ABBREVIATIONS

This Draft Placement Memorandum uses the definitions and abbreviations provided 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 Draft Placement Memorandum, but not defined herein shall have the meaning ascribed to such terms under the InvIT Regulations, the SEBI Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the sections entitled “Statement of Possible Tax Benefits”, “Industry Overview” and “Legal and Other Information” on pages 353, 151 and 322, respectively, “Audited Special Purpose Combined Financial Statements” and “Projections of Revenue from Operations and Cash Flow from Operating Activities” enclosed at Annexure A and B, respectively, shall have the meanings ascribed to such terms in those respective sections.

In this Draft Placement Memorandum, unless the context otherwise requires, a reference to “we”, “us” and “our” refers to the Trust and the Initial Portfolio Assets on a combined basis. For the sole purpose of the Audited Special Purpose Combined Financial Statements, reference to “we”, “us” and “our” refers to the Initial Portfolio Assets on a combined basis.

Trust Related Terms

Term	Description
ASPL	Astra Solren Private Limited
ASPL Project	Solar power generation facility having a Contracted Capacity of 65 MW AC located at the Gujarat Solar Park at Charanka, Gujarat, India
Associate	Associate shall have the meaning as ascribed to it under Regulation 2(1)(b) of the InvIT Regulations, provided that (a) associates of the OTPP Sponsor shall not include its and its affiliates’ respective investee companies including the MSPL Sponsor (in the event it is considered as an associate), the Trust, the Investment Manager and their associates as defined under Regulation 2(1)(b) of the InvIT Regulations and the SPVs; and (b) associates of the MSPL Sponsor shall not include the Trust, Investment Manager and their associates as defined under Regulations 2(1)(b) of the InvIT Regulations
Audited Special Purpose Combined Financial Statements	Audited special purpose combined financial statements of the Initial Portfolio Assets, which comprise the combined balance sheets as at March 31, 2021, March 31, 2022 and March 31, 2023, the combined statements of profit and loss (including other comprehensive income), the combined cash flow statements, the combined statements of changes in equity for the years ended, March 31, 2021, March 31, 2022 and March 31, 2023, and a summary of significant accounting policies and other explanatory information prepared in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India using the recognition and measurement principles of Ind AS and other generally accepted accounting principles and other relevant provisions relating to disclosures required as per the InvIT Regulations on which the Auditor has issued an audit report dated September 26, 2023
Auditors	Deloitte Haskins & Sells LLP, the statutory auditors of the Trust
BREPL	Brightsolar Renewable Energy Private Limited
BREPL Project	Solar power generation facility having a Contracted Capacity of 10 MW AC located at Jammalabanda Village, Anantapur district, Andhra Pradesh, India
Capital Contribution	The total subscription amounts (either by way of cash or share swap or otherwise (including transfer of interest in the InvIT Assets by the Sponsors and any other entities)) received by the Trust from the Unitholders (including the Sponsors), for subscription of Units, in accordance with applicable law and the InvIT Documents, through private placement (as defined in the InvIT Regulations)
Contracted Capacity	Capacity of the solar power generation facility as per the relevant power purchase agreements of each Initial Portfolio Asset
Credit Rating Agency	CRISIL Ratings Limited
Formation Transactions	The settlement of the Trust under the Indian Trusts Act, 1882, its registration as an infrastructure investment trust with SEBI and the transfer of the Initial Portfolio Assets to the Trust in accordance with the SEBI InvIT Regulations
ESPL	Emergent Solren Private Limited

Term	Description
Goyalri Project	Six solar power generation facilities having a Contracted Capacity of 10 MW AC each (aggregating to 60 MW), located at Kolayat Tehsil, Bikaner District, Rajasthan, India
Holding Company	A holding company, as defined under Regulation 2(1)(sa) of the InvIT Regulations
IM Board	The board of directors of the Investment Manager
Initial Portfolio Assets	Collectively, Mega Suryaurja Private Limited, Emergent Solren Private Limited, Neo Solren Private Limited, Astra Solren Private Limited, Brightsolar Renewable Energy Private Limited and Megasolis Renewables Private Limited (formerly known as, Mahindra Renewables Private Limited)
Investment Management Agreement	The amended and restated investment management agreement dated September 15, 2023 entered into between the Trust (acting through its Trustee), the Initial Portfolio Assets and the Investment Manager
Investment Manager	Sustainable Energy Infra Investment Managers Private Limited
Investment Objectives	The investment objectives of the Trust, as provided under the section entitled “ <i>Overview of the Trust</i> ” on page 20
InvIT Assets	The aggregate of the immovable, movable and other assets and cash (including cash equivalents) owned by the Trust (acting through the Trustee), whether directly, or through holding companies or SPVs, and includes all rights, interests and benefits arising from and incidental to ownership of such assets, in accordance with the InvIT Regulations and applicable law
InvIT Documents	The Trust Deed, the Investment Management Agreement, the Project Implementation and Management Agreement, the Share Purchase Agreements, any other document, letter or agreement with respect to the Trust or the Units, executed for the purpose of the Trust, the offer documents and such other documents in connection therewith, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any
ISTS Project	Solar power generation facility having Contracted Capacity of up to 250 MW AC located at Village – Bhiv ji ka Gaon, Tehsil – Baap, District, Jodhpur, Rajasthan, India
M&M/ Mahindra & Mahindra	Mahindra and Mahindra Limited
Mahindra Group	M&M, together with its subsidiaries, joint ventures, associates and other consolidated entities
Mahindra Teqo or Teqo	Mahindra Teqo Private Limited
MHL	Mahindra Holdings Limited
MRPL	Megasolis Renewables Private Limited (formerly known as, Mahindra Renewables Private Limited)
MRPL Projects	Collectively, the Rewa Project and the ISTS Project
MSPL Sponsor	Mahindra Susten Private Limited
MSPL Sponsor Group	Mahindra & Mahindra and the MSPL Sponsor
MSUPL	Mega Suryaurja Private Limited
MSUPL Project	Solar power project having a Contracted Capacity of up to 250 MW AC located at village Seora and Daddu ka Goan, Tehsil Kolayat, District Bikaner, Rajasthan, India
NR Policy	The nomination and remuneration policy adopted by the Investment Manager
NSPL	Neo Solren Private Limited
NSPL Project	Solar power project having a Contracted Capacity of up to 42 MW AC located near Waddekothapally SS, Warangal District, Telangana, India
OTPPB	Ontario Teachers’ Pension Plan Board
OTPP Sponsor	2726522 Ontario Limited
OTPP Sponsor Group	OTPP Sponsor, OTPPB and 2452991 Ontario Limited
Parties to the Trust	Collectively, the Sponsors, the Sponsor Group, the Trustee, the Investment Manager and the Project Manager
Projects	Collectively, the MRPL Projects, the MSUPL Project, NSPL Project, BREPL Project, Goyalri Project, ASPL Project and SECI RJ Project
Project Implementation and Management Agreement	Project implementation and management agreement to be entered into amongst the Trustee, the Project Manager, the Investment Manager and the Initial Portfolio Assets
Project Manager	Green Energy Infra Project Managers Private Limited
Projections of Revenue from Operations and Cash Flow from Operating Activities	Projections of revenue from operations cash flows from operating activities and the underlying assumptions of the Proposed Trust Group for the years ending March 31, 2024, March 31, 2025 and March 31, 2026 along with the underlying assumptions and other explanatory information used for preparation of the Special Purpose Combined Financial Statements of the Proposed Trust Group, 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, as amended, prescribed under Section 133 of the Companies Act, 2013, read with the

Term	Description
	InvIT Regulations and the Guidance note on Combined and Carve-out Financial Statements issued by the Institute of Chartered accountants of India
Related Parties	Related parties, as defined under Regulation 2(1)(zv) of the InvIT Regulations.
Rewa Project	Solar power generation facility having a Contracted Capacity of 250 MW AC located at Rewa Ultra Mega Solar Park, Gurh Tehsil District, Madhya Pradesh, India
ROFO Agreement	Right of first offer agreement, to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors
ROFO Assets	Renewable energy assets acquired and/or developed by the ROFO SPVs
ROFO SPVs	Special purpose vehicles (which hold the ROFO Assets) held by the MSPL Sponsor, that are proposed to be acquired by the Trust by way of the ROFO Agreement
SECI RJ Project	Solar power generation facility having a Contracted Capacity of 200 MW AC located at Bikaner, Rajasthan, India
Selling Unitholder	MSPL Sponsor
Share Purchase Agreements	The share purchase agreements to be entered into amongst the Trustee (acting on behalf of the Trust), the Investment Manager, the MSPL Sponsor, other shareholders of MRPL, MSUPL and ESPL. For details in relation to the other shareholders, please refer to the section entitled – “ <i>Formation Transactions in Relation to the Trust – Details of Arrangement pertaining to the Trust</i> ” on page 23
Shared and Transition Services Agreement	Shared and transition services agreement to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager, the MSPL Sponsor, and each of the Initial Portfolio Assets
Sponsors	2726522 Ontario Limited and Mahindra Susten Private Limited
Sponsor Group	Collectively, the Sponsors, MSPL Sponsor Group and OTPP Sponsor Group
SPV(s)	Special purpose vehicles, as defined under Regulation 2(1)(zy) of the InvIT Regulations
Technical Consultant	SgurrEnergy Private Limited
Trust or SEIT	Sustainable Energy Infra Trust
Trust Deed	The trust deed dated July 20, 2023 entered into between the Sponsors and the Trustee
Trust Group or Proposed Trust Group	Collectively, the Trust, the Initial Portfolio Assets and the Parties to the Trust
Trust Loan	Loan provided to the Initial Portfolio Assets by the Trust, upon Listing of the Units under the terms of the relevant Trust Loan Agreement.
Trust Loan Proceeds	Proceeds received by the Initial Portfolio Assets from the Trust Loan
Trust Loan Agreement	Trust loan agreements to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Initial Portfolio Assets
Trustee	Axis Trustee Services Limited
Unit	An undivided beneficial interest in the Trust, and all issued and allotted Units together represent the entire beneficial interest in the Trust
Unitholder	Any person who owns any Unit of the Trust
Valuation Report	The valuation report dated September 26, 2023 issued by the Valuer, which sets out its opinion as to the fair enterprise value of the Initial Portfolio Assets as on March 31, 2023
Valuer	S. Sundararaman

Offer Related Terms

Term	Description
Allocated/ Allocation	The allocation of the Units, to successful Bidders on the basis of the Application Form submitted by them, by the Investment Manager and the Sponsors, in consultation with the Placement Agents
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment or transfer of the Units to successful Bidders, pursuant to the Offer
Allotees	Bidders to whom Units are issued and Allotted pursuant to the Offer
Application Form	The serially numbered form pursuant to which Eligible Investors shall submit a Bid for the Units in the Offer
Bid(s)	Indication of interest of an Eligible Investor, as provided in the Application Form, to subscribe for the Units at the Offer Price, in terms of this Draft Placement Memorandum and the Application Form
Bid Amount	The amount payable by a Bidder for the number of Units Bid for at the Offer Price specified in this Draft Placement Memorandum
Bid/Offer Closing Date	[●], which is the last date up to which the Application Forms shall be accepted

Term	Description
Bid/Offer Opening Date	[●], which is the date on which the Application Forms shall be dispatched to Eligible Investors by the Registrar and the date from which, the Registrar shall accept Application Forms
Bid/Offer Period	Period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which Eligible Investors can submit their Bids
Bid Lot	A minimum of such number of Units aggregating to ₹ 250 million and in multiples of [●] Units thereafter
Bidder	Any Eligible Investor, who makes a Bid pursuant to the terms of the Placement Memorandum and the Application Form
Body Corporate / Bodies Corporate	Body corporate or bodies corporate as defined in Regulation 2(1)(d) of the InvIT Regulations
Business Day	Any day from Monday to Friday, excluding any public holiday
Cash Escrow Account	'No-lien' and 'non-interest bearing' account to be opened with the Escrow Collection Bank and in whose favour Bidders should transfer money through direct credit/NEFT/NECS/RTGS in respect of the Bid Amount when submitting a Bid
Cash Escrow Agreement	The cash escrow agreement to be entered into amongst the Trust (acting through the Trustee), the Trustee, the Sponsors, the Investment Manager, the Placement Agents, and the Escrow Collection Bank for, among others, collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Closing Date	The date on which Allotment of the Units pursuant to the Offer shall be made, i.e. on or about [●]
Demographic Details	Details of the Bidders, including the Bidder's address, investor status, occupation and bank account details
Designated Date	The date of credit of Units to the Eligible Investors' demat accounts
Designated Stock Exchange	NSE
Draft Placement Memorandum	This Draft Placement Memorandum dated September 26, 2023 in relation to the Offer, filed with SEBI and the Stock Exchange, issued in accordance with the InvIT Regulations, which does not contain the complete particulars of the Offer, including any modifications, amendments, supplements, notices, corrections or corrigenda thereto
Eligible Investors	Institutional Investors and Bodies Corporate, whether Indian or foreign, subject to applicable law
Escrow Collection Bank	[●]
Fresh Issue	The fresh issue of up to [●] Units aggregating up to ₹ 14,500 million by the Trust, on private placement basis to successful Bidders
Fresh Issue Proceeds	The proceeds of the Fresh Issue that are available to the Trust. For further details about the use of the Fresh Issue Proceeds, please see the section entitled "Use of Proceeds" on page 258
Institutional Investors	Institutional investor as defined in Regulation 2(1)(ya) of the InvIT Regulations
Listing Agreement	The listing agreement to be entered into with the Stock Exchange 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	The date on which the Units will be listed on the Stock Exchange
Minimum Bid Size	₹ 250 million
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Offer	The offer of up to [●] Units (as defined below) for cash at a price of ₹ [●] per Unit aggregating up to ₹ 23,500 million. The Offer comprises a Fresh Issue of up to [●] Units aggregating up to ₹ 14,500 million by the Trust and an Offer for Sale of up to [●] Units aggregating up to ₹ 9,000 million by the Selling Unitholder
Offer for Sale	The offer for sale of up to [●] Units, aggregating up to ₹ 9,000 million by the Selling Unitholder
Offer Price	₹ [●] per Unit, being the final price at which Units will be Allotted to successful Bidders, in terms of the Placement Memorandum. The Offer Price will be decided by the Investment Manager and the Sponsors in consultation with the Placement Agents
Placement Agents	Kotak Mahindra Capital Company Limited, Avendus Capital Private Limited and Axis Capital Limited

Term	Description
Placement Agreement	The placement agreement dated September 26, 2023 entered into among the Trust (acting through the Trustee), the Trustee, the Investment Manager, the Sponsors and the Placement Agents
Placement Memorandum	The placement memorandum dated [●] to be issued in relation to this Offer in accordance with the InvIT Regulations
Qualified Institutional Buyers or QIB(s)	Qualified institutional buyers, as defined under Regulation 2(1)(zs) of the SEBI ICDR Regulations
Registrar and Unit Transfer Agent or Registrar	KFin Technologies Limited
Stock Exchange	National Stock Exchange of India Limited
Unit Escrow Agent	[●]
Unit Escrow Agreement	Agreement dated [●], entered into amongst the Trustee (on behalf of the Trust), the Investment Manager, the Selling Unitholder, the Placement Agents 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) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (b) the time period between the Bid/Offer Closing Date and the listing of the Units on the Stock Exchange, shall mean all trading days of Stock Exchange, excluding Sundays and bank holidays

Technical and Industry Related Terms

Term	Description
BOO	Build, own, operate
BOOM	Build, own, operate and maintain
BPC	Bid process co-ordinator
CEIG	Chief Electrical Inspector to Government
CERC	Central Electricity Regulatory Commission
CRISIL	CRISIL Market Intelligence and Analytics
CRISIL Report	The report entitled “Renewable power market in India” dated September, 2023, prepared by CRISIL
COD	Commercial Operations Date
CTU	Central Transmission Utilities
DISCOM or discom	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	Extra high voltage
EPC	Engineering, Procuring and Construction
GW	Giga watt
GWp	Giga watt peak
HVDC	High Voltage Direct Current
kWh	Kilowatt hour
MoP	Ministry of Power
MVA	Mega Volt Ampere
MW	Mega watt
MWp	Mega watt peak
O&M	Operation and maintenance
PoC	Point of Connection
PPA	Power Purchase Agreement
SCOD	Scheduled Commercial Operations Date
STU	State Transmission Utilities
TBCB	Tariff Based Competitive Bidding
Technical Report	The technical report entitled “Technical Appraisal Report” dated July 3, 2023, prepared by the Technical Consultant, in relation to the Initial Portfolio Assets

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	Alternative Investment Fund Managers Directive

Term	Description
AIFMR	Alternative Investment Fund Managers Regulations
APPCC	Andhra Pradesh Power Coordination Committee
APSPDCL	Southern Power Distribution Company of Andhra Pradesh Limited
CAN	Confirmation of Allocation Note
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended without reference to the provisions thereof that have ceased to have effect
Companies Act, 2013	Companies Act, 2013, as amended
Competition Act	Competition Act, 2002, as amended
CGST Act	Central Goods and Services Tax Act, 2017, as amended
CRS	Common Reporting Standard
Depositories Act	Depositories Act, 1996, as amended
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018, as amended
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
DMRC	Delhi Metro Rail Corporation Limited
EBITDA	EBITDA is calculated as Profit Before Tax and Exceptional Items + Depreciation and Amortisation + Finance Cost – Interest Income
EEA	European Economic Area
Electricity Act	Electricity Act, 2003
ESMA	European Securities and Markets Authority
FATCA	Foreign Account Tax Compliance Act, 2010
FEMA	Foreign Exchange Management Act, 1999, as amended, 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
FVCI	Foreign venture capital investors, as defined under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GoI or Government	Government of India
ICAI	Institute of Chartered Accountants of India
Ind AS/Indian Accounting Standards	Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013, including any amendments or modifications thereto
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
Indian GAAS	Generally Accepted Auditing Standards in India
InvIT	Infrastructure Investment Trust
InvIT Regulations or SEBI InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, and circulars, notifications, guidelines and clarifications issued thereunder
IRDAI	Insurance Regulatory and Development Authority of India
ITA	Income Tax Act, 1961
IT Act	Information Technology Act, 2000
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
MCA	Ministry of Corporate Affairs
MoEF&CC	Ministry of Environment, Forest and Climate Change
MPPMCL	Madhya Pradesh Power Management Company Limited
NACH	National Automated Clearing House
NCDs	Non-convertible debentures
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
NTPC	National Thermal Power Corporation Limited
OCDs	Optionally convertible debentures
PAN	Permanent Account Number
PGCIL	Power Grid Corporation of India Limited

Term	Description
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
ROFO	Right of First Offer
Rs./Rupees/INR/₹	Indian Rupees
RRECL	Rajasthan Renewable Energy Corporation Limited
RRVPL	Rajasthan Rajya Vidyut Prasaran Nigam Limited
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCR (SECC) Regulations	Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SEBI	Securities and Exchange Board of India
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 FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
SECI	Solar Energy Corporation of India Limited
Securities Act	U.S. Securities Act of 1933, as amended
SLDC	State Load Dispatch Centre
Stock Exchange	NSE
SPA(s)	Share Purchase Agreement(s)
TSNPDCL	Northern Power Distribution Company of Telangana Limited
U.S./USA/United States	United States of America
USD/US\$	United States Dollars
VCF	Venture capital funds as defined under the SEBI VCF Regulations

PRESENTATION OF FINANCIAL DATA AND OTHER INFORMATION

Certain Conventions

All references in this Draft Placement Memorandum to “India” are to the Republic of India, all references to the “U.S.”, or the “United States” are to the United States of America and all references to “Canada” are to the Dominion of Canada. Unless stated otherwise, all references to page numbers in this Draft Placement Memorandum are to the page numbers of this Draft Placement Memorandum.

Financial Data

Unless stated otherwise, the financial information in this Draft Placement Memorandum is derived from the Audited Special Purpose Combined Financial Statements. The Trust was settled as a contributory irrevocable trust on July 20, 2023 and will not acquire ownership of the Initial Portfolio Assets until immediately prior to the Allotment of the Units in the Offer. Accordingly, as of the date of this Draft Placement Memorandum, there is no available financial information of the Trust.

The Audited Special Purpose Combined Financial Statements have been prepared in accordance with the recognition and measurement principles of the Indian Accounting Standards, as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with the InvIT Regulations and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India. For further details, please see the section entitled “*Audited Special Purpose Combined Financial Statements*” enclosed as Annexure A.

Further, this Draft Placement Memorandum includes projections of revenue from operations and cash flows from operating activities of the Trust on a combined basis and each of Initial Portfolio Asset, individually, for the financial years ended March 31, 2024, March 31, 2025 and March 31, 2026, prepared in accordance with the basis of preparation as set out the 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*” enclosed as Annexure B.

Further, this Draft Placement Memorandum includes summaries of the (i) special purpose consolidated financial statements of the MSPL Sponsor, as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, prepared in accordance with Ind AS and the Companies Act; and (ii) audited standalone financial statements of the OTPP Sponsor, as of and for the years ending December 31, 2020, December 31, 2021 and December 31, 2022, prepared in accordance with IFRS, derived from the consolidated or standalone financial statements (as specified above) of the Sponsors for the respective years. Further, our Investment Manager is a newly incorporated company, having been incorporated on April 26, 2023, and accordingly financial statements of the Investment Manager are not available for the previous financial years. For further details, please see the sections entitled “*Summary Financial Information of the Sponsors*” and “*Summary Financial Information of the Investment Manager*” on pages 31 and 40, respectively.

The financial year for the Trust, the Investment Manager, the Initial Portfolio Assets and the MSPL Sponsor, commences on April 1 and ends on March 31 of the next year, and accordingly, all references to a particular financial year or fiscal year, unless stated otherwise, are to the 12 month period ended on March 31 of that year. For the OTPP Sponsor, the financial year commences on January 1 and ends on December 31 of the same year.

The degree to which the financial information included in this Draft Placement Memorandum will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind AS and the InvIT Regulations. The Investment Manager has not attempted to explain these differences or quantify their impact on the financial data included in this Draft Placement Memorandum, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Placement Memorandum should accordingly be limited.

In this Draft Placement Memorandum, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures and percentage figures have been rounded off to two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources.

Non-GAAP Measures

EBITDA and EBITDA Margin (together, “**Non-GAAP Measures**”), presented in this Draft Placement Memorandum are a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, these Non-GAAP Measures are not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/(loss) for the years/ period or any other measure of financial performance or as an indicator of our operating

performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA and EBITDA Margin are not standardised terms, hence a direct comparison of these Non-GAAP Measures between companies may not be possible. Other companies may calculate these Non-GAAP Measures differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measures are not a measure of performance calculated in accordance with applicable accounting standards, the Investment Manager believes that they are useful to an investor in evaluating us as they are widely used measures to evaluate our operating performance.

Currency and Units of Presentation

All references to:

- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupees, the official currency of the Republic of India;
- “USD” or “US\$” or “\$” or “U.S. dollars” are to United States Dollars, the official currency of the United States; and
- “C\$” or “CAD” or “Can\$” are to Canadian Dollars, the official currency of Canada.

Except otherwise specified, certain numerical information in this Draft Placement Memorandum has been presented in “million” units. (i) One million represents 1,000,000; (ii) one billion represents 1,000,000,000; and (iii) One lakh represents 1,00,000. Unless the context requires otherwise, any percentage amounts, as set forth in this Draft Placement Memorandum, have been calculated on the basis of the Audited Special Purpose Combined Financial Statements and the summary financial statements of (i) each of the Sponsors; and (ii) the Trust, as the case may be.

Exchange Rates

This Draft Placement Memorandum 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 periods indicated, information with respect to the exchange rate between the Rupee and the US\$ and the Rupee and the C\$:

Currency	As of March 31, 2023	As of March 31, 2022	As of March 31, 2021
1 US\$	82.22	75.81	73.50
1 C\$	60.72	60.75	58.17

Source: <https://www.fbiil.org.in/#/home>; www.xe.com.

Note: The reference rates are rounded off to two decimal places.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Placement Memorandum has been obtained or derived from CRISIL Report. The MSPL Sponsor has commissioned the CRISIL Report, to provide an independent estimation of the renewables sector, which is based on historical data and certain assumptions.

Industry publications as well as government publications generally state that the information contained in such publications has been obtained from various sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information. The data used in these sources may have been re-classified 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- Our actual results may be materially different from the expectations expressed or implied in the Projections and the assumptions in the section entitled “Projections of Revenue and Operating Cash Flow” of this Draft Placement Memorandum are inherently uncertain and are subject to significant business, economic, financial, regulatory, environmental and competitive risks and uncertainties that could cause actual results to differ materially from the forward-looking statements in this Draft Placement Memorandum*” on page 74. Accordingly, investment decisions should not be based solely on such information.

The extent to which the market and industry data used in this Draft Placement Memorandum is meaningful depending 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 the business of the Trust is conducted, and methodologies and assumptions may vary widely among different industry sources. The CRISIL Report is subject to the following disclaimer:

“CRISIL Market Intelligence & Analytics (CRISIL MI&A), a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an

expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Mahindra Susten Private Limited along with Sustainable Energy Infra Trust and Sustainable Energy Investment Managers Private Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL MI&A operates independently of, and does not have access to information obtained by CRISIL Ratings Limited, which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL MI&A and not of CRISIL Ratings Limited. No part of this Report may be published/reproduced in any form without CRISIL's prior written approval."

Valuation

The Valuation Report was commissioned by the Investment Manager for the purposes of the Offer.

Technical Data

The Technical Report was commissioned by the Investment Manager for purposes of the Offer. The Technical Report is subject to the following notice:

"This document entitled "Technical Appraisal Report", document number 6.23.6126.001 has been prepared solely for Mahindra Susten Private Limited in connection with the 1,127 MW AC Solar PV Portfolio. This document in whole or in part may not be used by any person for any purpose other than that specified, without the express written permission of SgurrEnergy India. This document and its contents or any extract hereof, may be included in any document issued in connection with the proposed private placement of units of the Sustainable Energy Infra Trust, including the draft placement memorandum, placement memorandum and final placement memorandum and in any publicity material, press release, presentation or any other documents in relation to the offering. This document may also be made available as a material document for inspection in connection with the offering. Any liability arising out of use by a third party of this document for purposes not wholly connected with the above shall be the responsibility of that party who shall indemnify SgurrEnergy India against all claims costs damages and losses arising out of such use."

Credit Rating

The Trust has obtained credit rating from CRISIL Ratings Limited. The credit rating issued to the Trust is subject to the following disclaimer:

"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. Sustainable Energy Infra 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.crisilratings.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."

Websites

The information contained on the websites of the Trust, the Sponsors, the Trustee, the Placement Agents, or the other websites referred in this Draft Placement Memorandum or that can be accessed through our websites or such other websites, neither constitutes part of this Draft Placement Memorandum, nor is it incorporated by reference therein and should not form the basis of any investment decision. For details of the websites of the Trust, Sponsors, Trustee and Placement Agents, please see the section entitled "General Information" on page 97.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Draft Placement Memorandum that are not statements of historical fact constitute “forward-looking statements”. Investors can generally identify forward-looking statements by terminology such as “aim”, “anticipate”, “believe”, “continue”, “can”, “could”, “estimate”, “expect”, “intend”, “likely”, “may”, “objective”, “plan”, “potential”, “project”, “pursue”, “shall”, “should”, “target”, “targeted”, “will”, “would”, or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Trust 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, business plans and prospects 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 Draft Placement Memorandum that are not historical facts. These forward-looking statements and any other projections contained in this Draft Placement Memorandum (whether made by the Trustee, Investment Manager or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Trust’s actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections. Further, this Draft Placement Memorandum also includes the section entitled “*Projections of Revenue from Operating and Cash Flow from Operating Activities*” enclosed at Annexure B.

The Valuation Report included in this Draft Placement Memorandum, is based on certain projections and accordingly, should be read together with assumptions and notes thereto. For further details, please see the “*Valuation Report*” attached as Annexure C. The Technical Report, attached at Annexure D, include projections and estimates in relation to routine and periodic maintenance, including operation and maintenance contracts review, and operational analysis and generation comparison and accordingly, should be read in conjunction with the relevant notes and assumptions thereto.

All forward-looking statements and financial projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements and 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 infrastructure sector, the Investment Manager’s ability to successfully implement the strategy, growth and expansion plans, technological changes, cash flow projections, exposure to market risks, general economic and political conditions in India, monetary and fiscal policies of India, inflation, deflation, foreign exchange rates, performance of financial markets in India or globally, changes in domestic laws, regulations and taxes, changes in competition in the infrastructure sector, the outcome of any legal or regulatory proceedings and the future impact of new accounting standards. 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 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 under the sections entitled “*Risk Factors*”, “*Industry Overview*”, “*Our Business*” and “*Discussion and analysis by the Directors of the Investment Manager of the financial condition, results of operations and cash flows of the Initial Portfolio Assets of the Trust*”, on pages 61, 151, 215 and 273, 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, financial projections and financial information include, but are not limited to, the following:

- The Trust is a newly settled trust with no established operating history and no historical financial information and, as a result, investors may not be able to assess its prospects on the basis of past records;
- Our business will be subject to environmental conditions, seasonal fluctuations and natural calamities that could have a material adverse effect on our business, financial conditions, and results of operations;
- The Initial Portfolio Assets have entered into Power Purchase Agreements which contain certain onerous provisions and any failure to comply with such agreements could result in adverse consequences including penalties;
- We have limited flexibility in negotiating tariffs with the counter-parties to our Power Purchase Agreements; and
- We are reliant on certain off-takers and any decline in their financial condition or our relationship with them may adversely effect our results of operations.

The forward-looking statements, Projections of Revenue from Operations and Cash Flow from Operating Activities, Valuation Report and Technical Report reflect current views as of the dates specified therein 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 the Investment Manager and the Sponsors believe that the expectations and the assumptions upon which such forward-looking statements are based, are reasonable at this time, none of the Investment Manager or the Sponsors can 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 in accordance with SAE 3400 “The Examination of Prospective Financial Information”, issued by the Institute of Chartered Accountants of India. The Projections of Revenue from Operations and Cash Flow from Operating Activities have been prepared for inclusion in this Draft Placement Memorandum 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. In any event, these statements speak only as of the date of this Draft Placement Memorandum or the respective dates indicated in this Draft Placement Memorandum.

The Trust, the Investment Manager, the Sponsors, the Selling Unitholder and the Placement Agents or any of their affiliates or advisors, undertake no obligation to update or revise any of statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, whether as a result of new information, future events or otherwise after the date of this Draft Placement Memorandum. 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. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements and financial projections, and not to regard such statements to be a guarantee or assurance of the Trust’s future performance or returns to investors.

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 Draft Placement Memorandum:

Offer	The offer of up to [●] Units for cash at a price of ₹ [●] per Unit aggregating up to ₹ 23,500 million. The Offer comprises a Fresh Issue of up to [●] Units aggregating up to ₹ 14,500 million by the Trust and an Offer for Sale of up to [●] Units aggregating up to ₹ 9,000 million by the Selling Unitholder
Offer Price	₹ [●]
Minimum Bid Size	₹ 250 million
Bid/Offer Opening Date	[●]
Bid/Offer Closing Date	[●]
Sponsors	2726522 Ontario Limited and Mahindra Susten Private Limited
Trustee	Axis Trustee Services Limited
Investment Manager	Sustainable Energy Infra Investment Managers Private Limited
Project Manager	Green Energy Infra Project Managers Private Limited
Eligible Investors	Institutional Investors and Bodies Corporate, Indian or foreign, subject to applicable law
Authority for this Offer	This Offer was authorised, and approved by the IM Board on September 25, 2023*
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 102
Units issued and outstanding as of the date of this Draft Placement Memorandum	As of the date of this Draft Placement Memorandum, there are no issued and outstanding Units.
Units issued and outstanding immediately after this Offer	Up to [●] Units
Sponsor and Sponsor Group(s) Units	Up to [●] Units The Units held by the Sponsors and Sponsor Group(s) shall rank <i>pari passu</i> with, and have the same rights as the Units to be Allotted pursuant to this Offer. The Units to be held by the Sponsors and the Sponsor Group(s) have been allotted to the Sponsors and Sponsor Group(s) pursuant to the resolution of the IM Board dated [●]
Distribution	Please see the section entitled “Distribution” on page 270
Indian Taxation	Please see the section entitled “Statement of Possible Tax Benefits” on page 353
Use of Proceeds	Please see the section entitled “Use of Proceeds” on page 258
Listing	Prior to this Offer, there has been no market for the Units. The Units are proposed to be listed on the Stock Exchange. In-principle approval for listing of the Units has been received from NSE on [●]. The Investment Manager shall apply to the Stock Exchange for the final listing and trading approval, after the Allotment and the credit of the Units to the demat accounts of the Allottees
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 [●]
Ranking	The Units being issued shall rank <i>pari passu</i> in all respects, including rights in respect of distribution. Please see the section entitled “Rights of Unitholders” on page 338
Lock-in and Rights of Unitholders	For details, please see the sections entitled “Information Concerning the Units” and “Rights of Unitholders” on pages 256 and 338, respectively
Risk Factors	Prior to making an investment decision, Bidders should consider carefully the matters discussed in the section entitled “Risk Factors” on page 61

* The Offer for Sale has been authorised by Selling Unitholder pursuant to resolution of its board of directors. Please see the section entitled “Offer Information — Authority for the Offer” on page 344. 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 this Draft Placement Memorandum.

The Offer is a private placement of Units under Regulation 14(2) of the InvIT Regulations. The Units will be listed within six Working Days from the Bid/Offer Closing Date, or such other timeline as may be prescribed under the InvIT Regulations. Upon listing of the Units on the Stock Exchange, the Units shall be traded only on the dematerialized segment of the Stock Exchange.

In accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over another Unitholder. Further, there shall not be multiple classes of Units. However, the Trust may issue subordinate units of the Trust only to the Sponsors and its Associates, in compliance with the InvIT Regulations, where such subordinate units of the Trust shall carry

only inferior voting or other rights compared to the Units. For further details in relation to this Offer, including the method of application, please see the section entitled “*Offer Information*” on page 344.

No person connected with the Offer, including any person connected with the distribution of this Draft Placement Memorandum, shall offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment of the Units. For further details in relation to this Offer, including the method of application, please see the section entitled “*Offer Information*” on page 344.

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 Draft Placement Memorandum. The statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results of the Trust to differ materially from those forecasted or projected in this Draft Placement Memorandum. 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 Parties to the Trust or the Placement Agents 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, however, should read this Draft Placement Memorandum in its entirety and, in particular, the section entitled “Risk Factors” on page 61.

Structure and description of the Trust

The MSPL Sponsor (“Settlor”) set up the Trust on July 20, 2023, as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882 with the MSPL Sponsor and the OTPSP Sponsor as the sponsors of the Trust. The Trust was registered as an infrastructure investment trust under the InvIT Regulations on August 11, 2023 having registration number IN/InvIT/23-24/0027. The Settlor has settled the Trust for an initial sum of ₹ 10,000. The Sponsors shall not have any beneficial interest in such initial sum of the Trust and such sum shall not be distributed to Sponsors under any circumstances. For details of the registered office and contact person of the Sponsors, please see the section entitled “General Information” on page 97.

Further, Sustainable Energy Infra Investment Managers Private Limited has been appointed as the Investment Manager, and Green Energy Infra Project Managers Private Limited has been appointed as the Project Manager to the Trust pursuant to the resolutions passed by the IM Board and the Investment Management Agreement and the Project Implementation and Management Agreement, respectively. For further details, please see the section entitled “Parties to the Trust” on page 102.

Investment Objectives

In terms of the Trust Deed, the investment objectives and strategy of the Trust is to carry on the activities of and make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations and in accordance with the InvIT Documents. The investment of the Trust shall be in any manner permissible under, and in accordance with the InvIT Regulations and applicable law, including in such holding companies and/or special purpose vehicles and/or infrastructure projects and/or securities in India as permitted under the InvIT Regulations and in accordance with the investment strategy and/or policies as detailed in this Draft Placement Memorandum.

The Trustee, through the Investment Manager shall ensure that the Capital Contribution and other InvIT Assets shall be utilized solely for the purposes of making investments as stated above, in accordance with the InvIT Regulations and applicable law.

Investments by the Trust shall be in compliance with the provisions of the InvIT Regulations and unless specifically provided under applicable law, Trust shall not carry out any other principal activity or trade, in contradiction of the restrictions and requirements under applicable law.

Fee and expenses

Annual Expenses

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

The estimated recurring expenses on an annual basis, including but not limited to, are as follows:

(₹ in million)

Payable by the Trust	Estimated Expenses*
Fee payable to Credit Rating Agency	4.41
Fee payable to the Valuer	1.42
Fee payable to the Auditors	2.36
Fee payable to Trustee	Please see Note 1
Fee payable to Investment Manager	Please see Note 2
Fee payable to Project Manager	Please see Note 3
Fee payable to the Registrar	0.47
Fee payable to the Stock Exchange and Depositories	1.36

*The above-mentioned expenses relate to the one full year of operation for the Trust. Inclusive of GST.

Note 1:

The Trustee shall be entitled to an initial acceptance fee of ₹ 1.18 million and a fee of ₹ 0.94 million (including GST), which shall be paid annually to the Trustee for the services rendered to the Trust. In addition, the Trustee shall be entitled to recover from the MSPL Sponsor, all out of pocket expenses to the extent of ₹ 10,000 per instance.

Note 2:

The annual fee payable by the Trust to the Investment Manager (“**Management Fee**”) will be payable by the InvIT or any or all of the Initial Portfolio Assets, or both, to the Investment Manager.

1. From the date of execution of the Investment Management Agreement until acquisition of the Initial Portfolio Assets (“**Acquisition Date**”) the Management Fee shall be a fee equivalent to 110% of the costs incurred by the Investment Manager in providing such services or such other percentage as may be mutually agreed in writing subject to the relevant benchmarking reports. For this purpose, “costs” shall include all direct, indirect and incidental costs incurred by the Investment Manager in providing services in terms of the Investment Management Agreement from the agreement date until the Acquisition Date. Further, any cost incurred on behalf on the Trust by the Investment Manager until the Acquisition Date shall be reimbursed on the Acquisition Date and shall not form a part of the costs as defined above.
2. The annual fee payable in relation to the Investment Manager from the Acquisition Date shall be an amount equal to the sum of the costs incurred by the Investment Manager in providing the investment management services to the InvIT under the Investment Management Agreement (“**Costs**”) and a fee equivalent to 10% of the Costs (“**Mark-up**”) payable on an arm’s length basis and may be reviewed periodically. For the purposes of this clause, “Costs” shall include but not be limited to all manpower expenses, administrative expenses, depreciation and operating expenses that may be, or are, debited to the Investment Manager’s statement of profit and loss. The Costs, as set out above, will be determined based on a reasonable approximation of the costs expected to be incurred by the Investment Manager in delivering investment management services during a particular financial quarter, as calculated basis the costs specified in the annual budget (of the Investment Manager) approved by the board of directors of the Investment Manager for the relevant fiscal year (“**Annual Budget**”). Basis such determination, the Investment Manager will raise an invoice to the Trustee (acting on behalf of the Trust) and/or any or all of the SPVs, in such proportion, as may be mutually determined from time to time, on the first working day of such financial quarter (“**Quarterly Invoice**”). Each Quarterly Invoice will be payable to the Investment Manager within 30 (thirty) days. Further, the amounts set out in the Quarterly Invoices shall be reconciled annually with the actual Costs incurred by the Investment Manager.

Note 3:

The annual fee payable to the Project Manager (“**Fee**”) will be payable by any or all of the Initial Portfolio Assets, to the Project Manager. It is clarified that in the event the Project Manager undertakes its services through the appointment and supervision of agents, the Initial Portfolio Assets may pay fees directly to such agent, as may be mutually agreed upon by the Project Manager, the relevant Initial Portfolio Assets and the agent.

The annual fee payable to the Project Manager will be on a Costs (defined below) plus 10% basis in accordance with the Project Implementation and Management Agreement. The costs shall include but not be limited to all manpower expenses, administrative expenses and operating expenses that may be, or are, debited to the Project Manager’s statement of profit and loss, including depreciation (“**Costs**”). The Costs will be determined based on a reasonable approximation of the costs expected to be incurred by the Project Manager in delivering its services during a particular financial year (“**Annual Costs**”). Annual Costs shall be notified to the Investment Manager and the Trustee at the beginning of the aforesaid financial year (“**Cost Notification**”). Basis such determination and the Cost Notification delivered by the Project Manager, the Project Manager will raise an invoice to the Initial Portfolio Assets, in such proportion, as may be determined from time to time, on the first working day of every financial month (“**Monthly Invoice**”). Further, the amounts set out in the Monthly Invoices shall be reconciled with the actual Costs incurred by the Project Manager, annually.

Set-up expenses

The expenses in relation to the setting up the Trust, being an aggregate of ₹ 2.48 million, have been borne by the MSPL Sponsor, on behalf of the Trust and shall be reimbursed by the Trust to the MSPL Sponsor.

Offer Expenses*

The total expenses of this Offer are estimated to be up to ₹ [●] million. For details in relation to the Offer expenses, please see the section entitled “*Use of Proceeds*” on page 258.

We propose to pay an offer management fee to Axis Capital Limited (“Axis Capital**”) from the net Proceeds. While Axis Capital is an affiliate of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992,*

as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee. The current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee.

Details of credit ratings

Please see the section entitled “*General Information – Credit rating*” on page 100 in relation to the details of credit ratings.

FORMATION TRANSACTIONS IN RELATION TO THE TRUST

Details of arrangement pertaining to the Trust

The Trust's initial portfolio of assets comprises 5 SPVs and 1 Holding Company to be acquired by the Trust, namely (i) Astra Solren Private Limited (“**ASPL**”); (ii) Brightsolar Renewable Energy Private Limited (“**BREPL**”); (iii) Emergent Solren Private Limited (“**ESPL**”); (iv) Megasolis Renewables Private Limited (“**MRPL**”) (formerly known as, Mahindra Renewables Private Limited); (v) Mega Suryaurja Private Limited (“**MSUPL**”); and (vi) Neo Solren Private Limited (“**NSPL**”). NSPL, ASPL and BREPL are wholly-owned subsidiaries of MRPL. The details of the Initial Portfolio Assets as of the date of this Draft Placement Memorandum are provided below:

1. Astra Solren Private Limited (“ASPL”)

ASPL was incorporated on October 14, 2015, as a private company under the Companies Act, 2013 (CIN: U74120MH2015PTC269256). ASPL is a wholly owned subsidiary of MRPL. Its registered office is located at Mahindra Towers, Pandurang Budhkar Marg, Nr Doordarshan Kendra, Worli, Mumbai, Maharashtra, India – 400 018. The authorised capital of the company is ₹ 141,000,000 (divided into 14,100,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 88,896,000 (divided into 8,889,600 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of ASPL as at the date of this Draft Placement Memorandum is provided below:

Sr. No.	Shareholder's Name	No. of equity shares	Percentage (%)
1.	Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited)	8,889,599	99.99
2.	Megasolis Renewables Private Limited jointly with Brijbala Mohanlal Batwal	1	Negligible
Total		8,889,600	100.00

2. Brightsolar Renewable Energy Private Limited (“BREPL”)

BREPL was incorporated on December 3, 2013, as a private company under the Companies Act, 1956 (CIN: U40108MH2013PTC250683). BREPL is a wholly owned subsidiary of MRPL. Its registered office is located at Mahindra Towers, Dr. G. M. Bhosale Marg P.K. Kurne Chowk, Worli, Mumbai, Maharashtra, India – 400 018. The authorised capital of the company is ₹ 100,000,000 (divided into 10,000,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 95,240,000 (divided into 9,524,000 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of BREPL as at the date of this Draft Placement Memorandum is provided below:

Sr. No.	Shareholder's Name	No. of equity shares	Percentage (%)
1.	Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited)	9,523,999	99.99
2.	Megasolis Renewables Private Limited jointly with Brijbala Mohanlal Batwal	1	Negligible
Total		9,524,000	100.00

3. Emergent Solren Private Limited (“ESPL”)

ESPL was incorporated on November 9, 2022, as a private company under the Companies Act, 2013 (CIN: U40100MH2022PTC393167). Its registered office is located at Mahindra Tower, Pandurang Budhkar Marg, Nr Doordarshan Kendra, Worli Mumbai, 400 018. The authorised capital of the company is ₹ 101,000,000 (divided into 10,100,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital was ₹ 97,730,920 (divided into 9,773,092 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of ESPL as at the date of this Draft Placement Memorandum is provided below:

S. No.	Shareholder's Name	No. of equity shares	Percentage Shareholding (%)
1.	Mahindra Holdings Limited	6,841,161	69.99
2.	Mahindra Holdings Limited jointly with Narayan Shankar	1	Negligible
3.	Mahindra Holdings Limited jointly with Sumeet Maheshwari	1	Negligible
4.	Mahindra Holdings Limited jointly with Jignesh Ashok Parikh	1	Negligible
5.	Mahindra Holdings Limited jointly with Anita Anant Halbe	1	Negligible
6.	Mahindra Holdings Limited jointly with Feroze Hoshang	1	Negligible

S. No.	Shareholder's Name	No. of equity shares	Percentage Shareholding (%)
	Baria		
7.	2452991 Ontario Limited	2,931,926	29.99
Total		9,773,092	100.00

Pursuant to a letter arrangement dated September 26, 2023 executed amongst Mahindra Holdings Limited, Mahindra & Mahindra and 2452991 Ontario Limited (“**ESPL Structuring Letter**”), Mahindra Holdings Limited has agreed to sell an aggregate 68,41,166 equity shares held by it in ESPL, including jointly with certain other shareholders and representing approximately 70% of the total issued and paid up equity share capital of ESPL, to Mahindra & Mahindra and 2452991 Ontario Limited, in such proportion as may be mutually agreed upon amongst the parties.

4. Megasolis Renewables Private Limited (“MRPL”) (formerly known as, Mahindra Renewables Private Limited)

MRPL was incorporated on July 26, 2010, as a private company under the Companies Act, 1956 (CIN: U40300MH2010PTC205946). MRPL was originally incorporated as Mahindra Offgrid Services Private Limited and, the name of the company was changed to Mahindra Renewables Private Limited pursuant to the certificate of incorporation dated September 10, 2015, and the name of the company was subsequently changed to Megasolis Renewables Private Limited pursuant to the certificate of incorporation dated May 25, 2023. Its registered office is located at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai, Maharashtra, India – 400 018. The authorised capital of the company is ₹ 9,000,000,000 (divided into 900,000,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 3,216,300,000 (divided into 321,630,000 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of MRPL as at the date of this Draft Placement Memorandum is provided below:

Sr. No.	Shareholder's Name	No. of equity shares	Percentage (%)
1.	Mahindra Susten Private Limited	321,625,000	99.99
2.	Mahindra Susten Private Limited jointly with Brijbala Mohanlal Batwal	5,000	Negligible
Total		321,630,000	100.00

5. Mega Suryaurja Private Limited (“MSUPL”)

MSUPL was incorporated on January 12, 2012, as a private company under the Companies Act, 1956 (CIN: U40103MH2012PTC226016). MSUPL was originally incorporated as Mahindra Suryaurja Private Limited and the name of the company was changed to Mega Suryaurja Private Limited pursuant to the certificate of incorporation dated September 7, 2017. Its registered office is located at Mahindra Towers, P.K. Kurne Chowk, Worli, Mumbai, Maharashtra, India – 400 018. The authorised capital of the company is ₹ 100,000,000 (divided into 10,000,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 86,500,000 (divided into 8,650,000 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of MSUPL as at the date of this Draft Placement Memorandum is provided below:

Sr. No.	Shareholder's Name	No. of equity shares	Percentage (%)
1.	Mahindra Susten Private Limited	8,649,999	99.99
2.	Mahindra Susten Private Limited jointly with Brijbala Batwal	1	Negligible
Total		8,650,000	100.00

6. Neo Solren Private Limited (“NSPL”)

NSPL was incorporated on July 1, 2015, as a private company under the Companies Act, 2013 (CIN: U74999MH2015PTC266154). NSPL is a wholly owned subsidiary of MRPL. Its registered office is located at Mahindra Towers, Pandurang Budhkar Marg, Nr. Doordarshan Kendra, Worli, Mumbai, Maharashtra, India – 400 018. The authorised capital of the company is ₹ 150,000,000 (divided into 15,000,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 93,150,000 (divided into 9,315,000 equity shares of ₹ 10 each), as at the date of this Draft Placement Memorandum. The shareholding pattern of NSPL as at the date of this Draft Placement Memorandum is provided below:

S. No.	Shareholder's Name	No. of equity shares	Percentage Shareholding (%)
1.	Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited)	9,314,999	99.99
2.	Megasolis Renewables Private Limited jointly with Brijbala Mohanlal Batwal	1	Negligible

S. No.	Shareholder's Name	No. of equity shares	Percentage Shareholding (%)
Total		9,315,000	100.00

Acquisition of the Initial Portfolio Assets by the Trust

Prior to the Allotment, the Trust, acting through the Trustee, proposes to acquire from the MSPL Sponsor and the other shareholders of MRPL, MSUPL and ESPL, and the MSPL Sponsor and the other shareholders of MRPL, MSUPL and ESPL propose to transfer to the Trust in exchange for Units, the entire equity shareholding of MRPL, MSUPL and ESPL, pursuant to the Share Purchase Agreements (the “**Proposed Transfer**”), such that the Trust holds each of the Initial Portfolio Assets directly, or in the case of ASPL, BREPL and NSPL, through MRPL.

The MSPL Sponsor, MRPL and certain other shareholders presently hold 100% of the equity shareholding of each of the Initial Portfolio Assets except for ESPL wherein MHL currently holds 69.99% stake and 2452991 Ontario Limited holds 29.99% stake. Pursuant to the ESPL Structuring Letter, Mahindra Holdings Limited has agreed to sell an aggregate 68,41,166 equity shares held by it in ESPL, including jointly with certain other shareholders and representing approximately 70% of the total issued and paid up equity share capital of ESPL, to Mahindra & Mahindra and 2452991 Ontario Limited, in such proportion as may be mutually agreed upon amongst the parties. Such transfer is proposed to be undertaken prior to the Proposed Transfer.

Accordingly, the Proposed Transfer shall be as set out below:

I. Equity Shareholding

Sr. No.	Name of the Initial Portfolio Asset	Pre-Offer shareholding of the Sponsors or their affiliates and their respective nominees		Proposed post-Offer shareholding of the Trust (in %)
		Name of Entity*	Pre-Offer shareholding (in %)	
1.	ASPL**	MRPL	100.00	100.00
2.	BREPL**	MRPL	100.00	100.00
3.	ESPL	Mahindra and Mahindra Limited^	100.00***	100.00
		2452991 Ontario Limited		
4.	MRPL	MSPL	100.00	100.00
5.	MSUPL	MSPL	100.00	100.00
6.	NSPL**	MRPL	100.00	100.00

*Note – For details in relation to nominee shareholders, please refer to the section entitled – “Formation Transactions in Relation to the Trust – Details of Arrangement pertaining to the Trust” on page 23.

**Please note that these entities are wholly-owned subsidiaries of MRPL and will become step-down subsidiaries of the Trust post acquisition of MRPL by the Trust.

*** In the proportion as may be mutually agreed upon amongst the parties to the ESPL Structuring Letter.

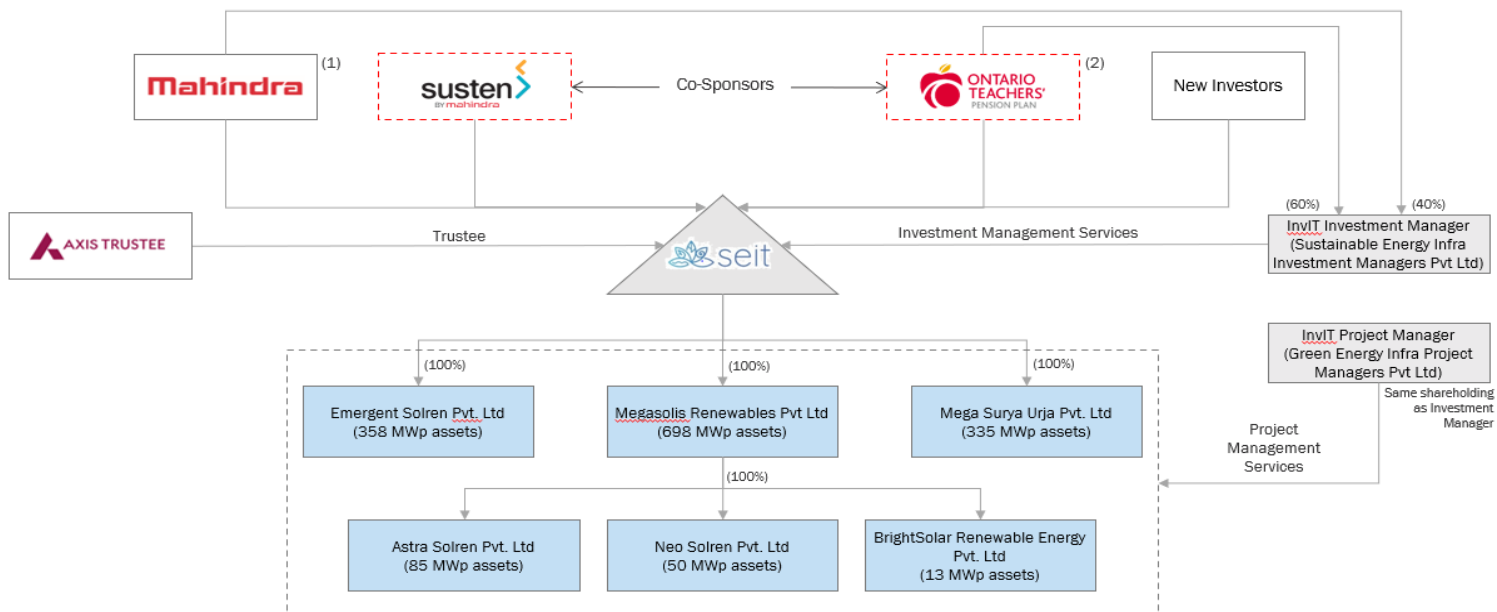
^ Mahindra & Mahindra proposes to hold a certain percentage of the issued and paid-up equity share capital of ESPL, pursuant to the ESPL Structuring Letter

Utilisation of Fresh Issue Proceeds and Trust Loan

Upon the Allotment and listing of the Units, the Trust shall utilize the Fresh Issue Proceeds towards (i) providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt availed from the MSPL Sponsor and certain external lenders, including any accrued interest, (ii) general purposes and (iii) Offer expenses. For further details, please see the section entitled “Use of Proceeds” on page 258.

Proposed post-listing structure

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



(1) Mahindra and Mahindra Limited would hold units of the Trust; shareholding of the Investment Manager and the Project Manager would continue to be with Mahindra Sustainable Energy Private Limited (formerly known as Mahindra Telecom Energy Management Services Private Limited).

(2) The OTPP Sponsor and 2452991 Ontario Limited would hold units of the Trust and OTPP Sponsor would continue to hold shares of the Investment Manager and the Project Manager.

SUMMARY COMBINED FINANCIAL STATEMENTS

The following tables set forth the summary financial information derived from the Audited Special Purpose Combined Financial Statements which were prepared in accordance with the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with the InvIT Regulations and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, as of and for the Fiscals 2023, 2022 and 2021.

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

The summary financial information derived from the Combined Financial Statements, as presented below, should be read together with the section entitled "Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust" on pages 273 in conjunction with the section entitled "Audited Special Purpose Combined Financial Statements" enclosed at Annexure B.

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Sustainable Energy Infra Trust
Special Purpose Combined Balance Sheet

(All amounts in Rupees millions unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
I. Assets			
Non-current assets			
a) Property, plant and equipment	50,906.64	39,820.86	21,418.82
b) Right-of-use assets	1,108.08	1,157.12	1,206.16
c) Capital work-in-progress	-	11,765.64	12,799.94
d) Financial assets			
i) Other financial assets	2,503.26	1,702.54	506.28
e) Income tax assets (net)	47.79	41.14	45.02
f) Deferred tax assets (net)	37.43	0.30	70.06
g) Other non-current assets	38.20	228.60	230.24
Total non-current assets	54,641.40	54,716.20	36,276.52
Current assets			
a) Financial assets			
i) Trade receivables	811.27	1,150.43	763.22
ii) Cash and cash equivalents	1,569.02	2,024.11	1,455.04
iii) Other bank balances	945.00	430.10	160.10
iv) Other financial assets	973.43	632.00	319.48
b) Other current assets	22.92	16.39	116.50
Total current assets	4,321.64	4,253.03	2,814.34
Total assets	58,963.04	58,969.23	39,090.86
II. Equity and liabilities			
Equity			
a) Capital	3,302.80	3,302.80	3,264.41
b) Other equity	3,098.91	2,317.05	959.06
Total Equity	6,401.71	5,619.85	4,223.47
Liabilities			
Non-current liabilities			
a) Financial liabilities			
i) Borrowings	43,626.79	40,294.22	25,939.98
ii) Lease liabilities	609.02	628.48	647.75
iii) Other financial liabilities	413.45	445.92	685.50
b) Deferred tax liabilities (net)	1,019.23	857.72	804.65
c) Other non current liabilities	1,945.28	1,522.67	370.66
Total non-current liabilities	47,613.77	43,749.01	28,448.54
Current liabilities			
a) Financial liabilities			
(i) Borrowings	1,781.80	999.26	2,144.42
(ii) Lease liabilities	20.63	19.27	16.82
(iii) Trade payables	142.20	79.72	68.72
(iv) Other financial liabilities	2,845.06	8,328.52	4,099.05
b) Current tax liabilities (net)	39.83	57.93	46.00
c) Other current liabilities	118.04	115.67	43.84
Total current liabilities	4,947.56	9,600.37	6,418.85
Total liabilities	52,561.33	53,349.38	34,867.39
TOTAL Equity and liabilities	58,963.04	58,969.23	39,090.86

Sustainable Energy Infra Trust
Special Purpose Combined Statement of Profit and Loss

(All amounts in Rupees millions unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
I Income			
a) Revenue from operations	7,343.19	5,205.37	3,265.94
b) Other Income	306.86	127.75	82.53
Total Income	7,650.05	5,333.12	3,348.47
II Expenses			
a) Employee benefits expense	20.93	8.89	4.60
b) Finance cost	3,491.96	2,354.81	1,872.93
c) Depreciation and amortisation expense	2,041.17	1,369.58	1,298.80
d) Other expenses	1,150.41	789.12	363.08
Total Expenses	6,704.47	4,522.40	3,539.41
III Profit/(loss) before Exceptional gain and tax (I-II)	945.58	810.72	(190.94)
IV Add: Exceptional gain	-	-	484.28
V Profit before tax (III+IV)	945.58	810.72	293.34
VI Tax Expense/(Income)	163.72	165.32	(124.45)
a) Current tax	39.34	42.50	37.09
b) Deferred tax charge/(credit)	124.38	122.82	(161.54)
VII Profit for the year (V-VI)	781.86	645.40	417.79
VIII Other Comprehensive Income			
Items that will not be reclassified subsequently to profit or loss	-	-	-
Items that will be reclassified to profit or loss	-	-	-
Total other comprehensive income	-	-	-
IX Total comprehensive income for the year (VII+VIII)	781.86	645.40	417.79

Sustainable Energy Infra Trust
Special Purpose Combined Statement of Cash Flow

(All amounts in Rupees millions unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022	For the year ended March 31, 2021
Cash flows from operating activities			
Profit before tax for the year	945.58	810.72	293.34
Adjustments for:			
Finance cost (Excluding unwinding of lease)	3,444.97	2,306.54	1,823.47
Interest on lease liability	46.99	48.27	49.46
Interest income	(262.42)	(101.44)	(56.21)
Gain on disposal of investment	-	-	(484.28)
Net loss/(gain) on foreign currency transactions	351.18	239.02	8.99
Amortisation of deferred revenue	(19.39)	(26.32)	(26.32)
Provision for impairment of assets	2.83	-	-
Depreciation and amortisation expense	2,041.17	1,369.58	1,298.80
Liabilities no longer required written back	(2.29)	-	-
Provision for doubtful debts	-	19.32	-
Provision on bad debts written back	(15.34)	-	-
Operating cash flows before working capital changes	6,533.28	4,665.69	2,907.25
Movements in working capital:			
(Increase)/decrease in trade receivables and Unbilled revenue	273.86	(637.05)	(108.81)
(Increase)/decrease in other financial assets	(123.35)	(1,259.98)	71.61
(Increase)/decrease in other current assets	(6.53)	100.10	(112.07)
(Decrease)/Increase in trade payables	64.77	11.00	(42.69)
(Decrease)/Increase in other financial liabilities	(82.52)	450.12	1,324.18
(Decrease)/Increase in other liabilities	444.38	1,250.16	(16.97)
Cash flows from operations	570.61	(85.65)	1,115.25
Income taxes (paid)/refund	(63.40)	(26.70)	0.09
Net cash generated by operating activities	7,040.49	4,553.34	4,022.59
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	(6,820.09)	(15,411.68)	(11,314.62)
Payments to acquire financial assets (Fixed deposits and Earmarked balances)	(1,423.86)	(284.90)	(353.46)
Investment in equity instruments	-	(107.34)	-
Interest received	233.21	98.07	57.52
Sale of non current Investments	-	-	1,244.79
Net cash used in investing activities	(8,010.74)	(15,705.85)	(10,365.77)
Cash flows from financing activities			
Proceeds from borrowings	30,220.78	21,071.15	15,240.80
Repayment of borrowings	(26,105.67)	(6,389.49)	(8,715.57)
Proceeds from Short term borrowings	-	-	1,472.58
Repayment of Short term borrowings	-	(1,472.58)	-
Payment of principal portion of lease liabilities	(18.11)	(16.81)	(15.64)
Payment of interest portion of lease liabilities	(46.99)	(48.27)	(49.46)
Proceeds from issue of equity shares (Including securities premium)	-	850.00	-
Interest paid	(3,534.85)	(2,272.42)	(1,769.53)
Net cash generated from financing activities	515.16	11,721.58	6,163.18
Net increase/(decrease) in cash and cash equivalents	(455.09)	569.07	(180.00)
Cash and cash equivalents at the beginning of the year	2,024.11	1,455.04	1,635.04
Cash and cash equivalents at the end of the year	1,569.02	2,024.11	1,455.04

SUMMARY FINANCIAL INFORMATION OF THE SPONSORS

The following tables set forth the summary financial information derived from the (i) special purpose consolidated financial statements of the MSPL Sponsor as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, (ii) audited standalone financial statements of the MSPL Sponsor for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, which were prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act.; and (iii) audited standalone financial statements of the OTPP Sponsor, as of and for the years ending December 31, 2020, December 31, 2021 and December 31, 2022, prepared in accordance with IFRS.

The summary financial information of the Sponsors is included in this Draft Placement Memorandum as per the requirements of the InvIT Regulations.

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

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Mahindra Susten Private Limited
Special Purpose Consolidated Balance Sheet

(Rupees in lakhs)

Particulars		As at March 31, 2023 (Consolidated)	As at March 31, 2022 (Consolidated)	As at March 31, 2021 (Consolidated)
I	ASSETS			
	Non-current assets			
	(a) Property, plant and equipment	4,70,660.28	3,66,718.00	1,91,821.06
	(b) Right of use assets	11,806.54	11,618.25	12,061.57
	(c) Capital work in progress	-	1,11,440.31	1,16,399.37
	(d) Other intangible assets	3.54	476.67	109.71
	(e) Intangible assets under development	98.13	96.83	1,114.89
	(f) Investments in joint ventures	3,665.41	3,547.58	5,284.65
	(g) Financial assets			
	(i) Other investment	0.50	0.50	0.50
	(ii) Other financial assets	24,004.29	17,041.68	5,318.70
	(h) Income tax assets	4,454.16	3,434.92	1,902.74
	(i) Deferred tax assets	10,148.70	9,777.50	8,034.51
	(j) Other non-current assets	381.92	2,285.93	2,302.38
	Total non-current assets	5,25,223.47	5,26,438.17	3,44,350.08
	Current assets			
	(a) Inventories	67.79	1,322.55	1,967.38
	(b) Financial assets			
	(i) Investments	1,007.00	-	-
	(ii) Trade receivables	11,347.82	23,439.07	41,380.73
	(iii) Cash and cash equivalents	20,931.35	23,137.74	18,170.11
	(iv) Bank balance other than (iii) above	10,492.63	4,301.00	1,611.97
	(v) Loans	500.00	-	1,089.00
	(vi) Other financial assets	9,776.80	7,068.18	7,118.71
	(c) Other current assets	7,520.17	8,437.03	7,502.74
	Total current assets	61,643.56	67,705.57	78,840.64
	Non Current Assets classified as held for sale	919.17	762.45	673.75
	Total assets	5,87,786.20	5,94,906.19	4,23,864.47
II	EQUITY AND LIABILITIES			
	Equity			
	(a) Equity share capital	39,092.34	19,546.17	19,546.17
	(b) Other equity	46,667.98	60,618.38	62,003.35
	Total equity	85,760.32	80,164.55	81,549.52
	Liabilities			
	Non-current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	3,63,230.36	3,59,295.29	2,13,179.46
	(ii) Lease liabilities	6,731.67	6,323.46	6,477.46
	(b) Provisions	3,055.50	4,287.33	5,892.05
	(c) Deferred tax liabilities	7,542.57	4,071.92	3,084.08
	(d) Other non-current liabilities	19,452.82	15,226.56	3,706.57
	Total non-current liabilities	4,00,012.92	3,89,204.56	2,32,339.62
	Current liabilities			
	(a) Financial liabilities			
	(i) Borrowings	81,918.01	52,065.05	55,365.61
	(ii) Lease liabilities	372.65	204.62	168.22
	(iii) Trade payables:	9,104.17	16,216.78	29,628.72
	(iv) Other financial liabilities	7,095.10	50,435.84	18,349.81
	(b) Provisions	1,405.82	4,052.28	1,498.10
	(c) Current tax liabilities	167.78	460.67	392.66
	(d) Other current liabilities	1,949.43	2,101.84	4,572.21
	Total current liabilities	1,02,012.96	1,25,537.08	1,09,975.33
	Total liabilities	5,02,025.88	5,14,741.64	3,42,314.95
	Total equity and liabilities	5,87,786.20	5,94,906.19	4,23,864.47

Mahindra Susten Private Limited
Special Purpose Consolidated statement of profit and loss

(Rupees in lakhs)

Particulars		For the year ended March 31, 2023 (Consolidated)	For the year ended March 31, 2022 (Consolidated)	For the year ended March 31, 2021 (Consolidated)
I	Revenue from operations	76,972.11	61,996.94	93,792.47
II	Other income	6,509.16	1,406.38	2,113.87
III	Total income (I + II)	83,481.27	63,403.32	95,906.34
IV	Expenses			
	Cost of materials consumed	3,495.75	9,780.74	56,919.95
	Cost of services rendered	-	-	953.21
	Changes in inventories	-	80.19	610.35
	Employee benefits expense	6,212.74	5,260.87	7,958.77
	Finance costs	31,045.63	22,529.73	17,074.60
	Depreciation and amortisation expense	19,001.28	12,785.22	12,418.79
	Other expenses	14,829.65	14,860.23	6,761.47
	Total expenses (IV)	74,585.05	65,296.98	1,02,697.14
V	Profit/ (loss) before exceptional items and tax (III - IV)	8,896.22	(1,893.66)	(6,790.80)
VI	Share in profit of joint ventures	117.83	57.32	29.60
VII	Exceptional gain/ (loss)	595.20	(580.86)	6,838.15
VIII	Profit / (Loss) before tax from continuing operations (V + VI + VII)	9,609.25	(2,417.20)	76.95
IX	Tax Expense			
	Current tax	648.51	542.41	2,741.85
	Deferred tax	3,099.28	(768.65)	(2,077.86)
X	Profit / (Loss) for the year from continuing operations (VIII - IX)	5,861.46	(2,190.96)	(587.04)
XI	Discontinued Operations			
	(1) Profit from discontinued operations	360.26	1,084.53	758.70
	(2) Tax expense of discontinued operations	112.83	309.77	236.53
	(3) Deferred tax expense of discontinued operations	0.52	13.47	(12.61)
XII	Profit/(loss) after tax from discontinued operations [(1)-(2)-(3)]	246.91	761.29	534.78
XIII	Profit/(loss) for the year (X + XII)	6,108.37	(1,429.67)	(52.26)
XIV	Other comprehensive (expense) / income			
	A Items that will not be reclassified to profit or loss:			
	(a) Remeasurements of defined benefit plan loss / (gain)	3.60	11.52	(226.78)
	(b) Income tax relating to remeasurement of defined benefit plan	(1.26)	(4.58)	78.83
	B Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations	25.10	19.93	(70.92)
XV	Total comprehensive (expense)/income for the year (XIII - XIV)	6,080.93	(1,456.54)	166.61
XVI	Total comprehensive income for the year attributable to: Owners of the Company	6,080.93	(1,456.54)	166.61
XVII	Earnings per equity share: (for continuing operation)			
	(1) Basic (In Rupees)	1.50	(0.56)	(0.15)
	(2) Diluted (In Rupees)	1.50	(0.56)	(0.15)
XVIII	Earnings per equity share (for discontinued operation):			
	(1) Basic (In Rupees)	0.06	0.19	0.14
	(2) Diluted (In Rupees)	0.06	0.19	0.14
XIX	Earnings per equity share (for continuing and discontinued operations):			
	(1) Basic (In Rupees)	1.56	(0.37)	(0.01)
	(2) Diluted (In Rupees)	1.56	(0.37)	(0.01)

Mahindra Susten Private Limited
Special Purpose Consolidated statement of Cash flow

(Rupees in lakhs)

Particulars	For the year ended March 31, 2023 (Consolidated)	For the year ended March 31, 2022 (Consolidated)	For the year ended March 31, 2021 (Consolidated)
Cash flows from operating activities			
Net Profit /(Loss) Before Tax			
Continuing operations	9,609.25	(2,417.20)	76.95
Discontinued operations	360.26	1,084.53	758.70
Adjustments for:			
Finance costs	28,818.78	20,840.60	16,444.99
Interest unwinding on lease liability	514.77	483.67	494.55
Unwinding of discount on financial asset	1,472.90	983.47	135.06
Finance costs unwinding of discount on warranty	239.18	-	-
Interest income	(2,956.87)	(1,131.96)	(1,310.05)
Dividend Income	(25.48)	(9.68)	(1.87)
Addition to warranty expenses	-	-	735.47
Reversal of warranty provision	(1,890.75)	-	-
Profit/(loss) on sale of investments	(553.54)	621.53	(6,838.15)
Depreciation and amortisation expense of continuing operations	19,001.28	12,785.22	12,418.79
Depreciation and amortisation expense of discontinued operations	207.99	174.59	20.28
Net loss/(gain) on unrealised foreign currency transactions	3,525.15	2,399.22	(7.69)
Provision for doubtful debts made / (reversed)	(853.01)	1,118.83	(29.03)
Share in profit of joint ventures	(117.83)	(57.32)	(29.60)
Loss on sale of fixed asset	28.32	357.15	65.35
Amortisation of deferred revenue	(193.90)	(263.24)	(263.25)
Net gain arising on financial assets designated as at fair value through profit or loss (FVTPL)	(7.00)	-	-
Reversal of ESOP reserve	(485.15)	-	-
Gain on disposal of discontinued operation	(41.66)	-	-
Addition to ESOP reserve	-	-	177.33
Liabilities no longer required written back	-	-	(453.48)
Operating profit before working capital changes	56,652.69	36,969.41	22,394.35
Movements in working capital:			
(Increase)/decrease in trade receivables and unbilled revenue	8,472.32	20,333.27	1,602.14
(Increase)/decrease in inventories	(182.66)	644.83	973.00
(Increase)/decrease in other assets	(3,113.58)	(14,335.92)	(2,964.06)
Increase/(decrease) in trade and other payables	(3,865.63)	(13,457.07)	(5,712.00)
Increase/(decrease) in other liabilities	795.40	11,119.29	1,418.51
Cash generated from operations	2,105.85	4,304.40	(4,682.41)
Income taxes paid	(2,069.45)	(2,315.26)	(806.47)
Net cash generated from operating activities	56,689.09	38,958.55	16,905.47
Cash flows from investing activities			
Purchase of property, plant and equipment (including capital work in-progress, capital advances ,other intangible assets and Intangible assets under development)	(54,466.37)	(1,47,999.17)	(96,834.15)
Proceeds from sale of property, plant and equipment (including capital work in-progress, capital advances, other intangible assets and Intangible assets under development)	77.54	8.15	207.56
Bank deposits not considered as cash & cash equivalents (net)	(14,245.35)	(2,721.01)	(4,297.20)
Loan given to related party	(500.00)	-	-
Repayment of loan given to related party	-	-	1,374.46
Interest received	2,709.10	1,194.40	1,640.68
Dividend received	25.48	9.68	1.87
Proceeds from disposal of subsidiary	2,682.96	-	12,447.91
Investments in equity instruments	-	(1,073.35)	(1,786.84)
Investment in mutual fund	(1,000.00)	-	-
Net cash used in investing activities	(64,716.64)	(1,50,581.30)	(87,245.71)
Cash flows from financing activities			
Proceeds from long term borrowings	3,30,539.03	2,05,076.47	1,71,822.64
Repayment of long term borrowings	(3,24,003.97)	(63,894.87)	(87,205.28)
Proceeds from short term borrowings	1,26,436.06	1,27,392.88	23,723.38
Repayment of short term borrowings	(1,00,108.26)	(1,30,693.44)	(24,500.00)
Payment of principal portion of lease liability	(236.26)	(167.24)	(156.35)
Payment of interest portion of lease liabilities	(514.77)	(483.67)	(494.55)
Interest paid	(26,218.26)	(20,654.59)	(18,748.68)
Net cash generated from financing activities	5,893.57	1,16,575.54	64,441.16

Particulars	For the year ended March 31, 2023 (Consolidated)	For the year ended March 31, 2022 (Consolidated)	For the year ended March 31, 2021 (Consolidated)
Net increase/(decrease) in cash and cash equivalents	(2,133.98)	4,952.79	(5,899.08)
Cash and cash equivalents at the beginning of the year	23,137.74	18,170.11	25,445.32
Cash and Cash equivalent balance paid through business combination	(72.41)	14.84	(1,376.13)
Cash and cash equivalents at the end of the year	20,931.35	23,137.74	18,170.11
Cash and cash equivalent comprise of :-			
(a) Balances with banks	20,931.35	10,664.33	10,053.65
In fixed deposits with original maturity less than 3 Months at inception	-	12,473.41	8,110.41
(b) Cash on hand	-	-	6.05
Total	20,931.35	23,137.74	18,170.11

2726522 ONTARIO LIMITED

Statement of financial position as at 31 December 2022, 31 December 2021 and 31 December 2020

(All amounts in Canadian Dollars)

	2022	2021	2020
ASSETS			
Cash and cash equivalents	\$1	\$1	\$1
Total assets	\$1	\$1	\$1
LIABILITIES AND SHAREHOLDER'S EQUITY			
Accrued expenses and other payables	\$18,000	\$12,000	\$6,000
Total liabilities	\$18,000	\$12,000	\$6,000
SHAREHOLDER'S EQUITY/ (DEFICIENCY)			
Deficit	(\$21,245)	(\$12,000)	(\$6,000)
Capital	\$3,246	\$1	\$1
Total shareholder's equity (deficiency)	(\$17,999)	(\$11,999)	(\$5,999)
Total liabilities and shareholder's equity	\$1	\$1	\$1

2726522 ONTARIO LIMITED

Statement of operations for the year ended 31 December 2022, 31 December 2021 and 31 December 2020

(All amounts in Canadian Dollars)

	2022	2021	2020
REVENUE			
Total revenue	\$ —	\$ —	\$ —
OPERATING EXPENSES			
Audit, legal & other professional services	(\$6,000)	(\$6,000)	(\$6,000)
Other expenses	(\$3,245)	\$ —	\$ —
Total operating expenses	(\$9,245)	(\$6,000)	(\$6,000)
Net and comprehensive loss	(\$9,245)	(\$6,000)	(\$6,000)

2726522 ONTARIO LIMITED

Statement of changes in shareholder's equity / (deficiency) as at 31 December 2022, 31 December 2021 and 31 December 2020

(All amounts in Canadian Dollars)

	Shares outstanding	Additional capital	Cumulative distribution	Deficit	Total
January 1, 2022	1	—	—	(12,000)	(11,999)
Net and other comprehensive loss	—	—	—	(9,245)	(9,245)
Capital contribution	—	3,245	—	—	3,245
Distribution	—	—	—	—	—
December 31, 2022	1	3,245	—	(21,245)	(17,999)
	Shares outstanding	Additional capital	Cumulative distribution	Deficit	Total
January 1, 2021	1	—	—	(6,000)	(5,999)
Net and other comprehensive loss	—	—	—	(6,000)	(6,000)
Capital contribution	—	—	—	—	—
Distribution	—	—	—	—	—
December 31, 2021	1	—	—	(12,000)	(11,999)
	Shares outstanding	Additional capital	Cumulative distribution	Deficit	Total
January 1, 2020	1	—	—	—	1
Net and other comprehensive loss	—	—	—	(6,000)	(6,000)
Capital contribution	—	—	—	—	—
Distribution	—	—	—	—	—
December 31, 2020	1	—	—	(6,000)	(5,999)

2726522 ONTARIO LIMITED

Statement of cashflow for the year ended 31 December 2022, 31 December 2021 and 31 December 2020

(All amounts in Canadian Dollars)

	2022	2021	2020
CASH PROVIDED BY (USED IN):			
OPERATING ACTIVITIES			
Net and comprehensive loss	(\$9,245)	(\$6,000)	(\$6,000)
Adjustments for non-cash items			
Change in accrued expenses and other payables	\$6,000	\$6,000	\$6,000
Net cash provided/ (used) by operating activities	(\$3,245)	\$ —	\$ —
INVESTING ACTIVITIES			
Net cash provided/ (used) by investing activities	\$ —	\$ —	\$ —
FINANCING ACTIVITIES			
Capital contribution	\$3,245	\$ —	\$ —
Net cash provided/ (used) by financial activities	\$3,245	\$ —	\$ —
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ —	\$ —	\$ —
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	\$1	\$1	\$1
Effects of exchange rate changes on cash and cash equivalents	\$ —	\$ —	\$ —
CASH AND CASH EQUIVALENTS, END OF YEAR	\$1	\$1	\$1

SUMMARY FINANCIAL INFORMATION OF THE INVESTMENT MANAGER

Our Investment Manager is a newly incorporated company, having been incorporated on April 26, 2023. Accordingly financial statements of the Investment Manager are not available for the previous financial years.

SUMMARY OF INDUSTRY

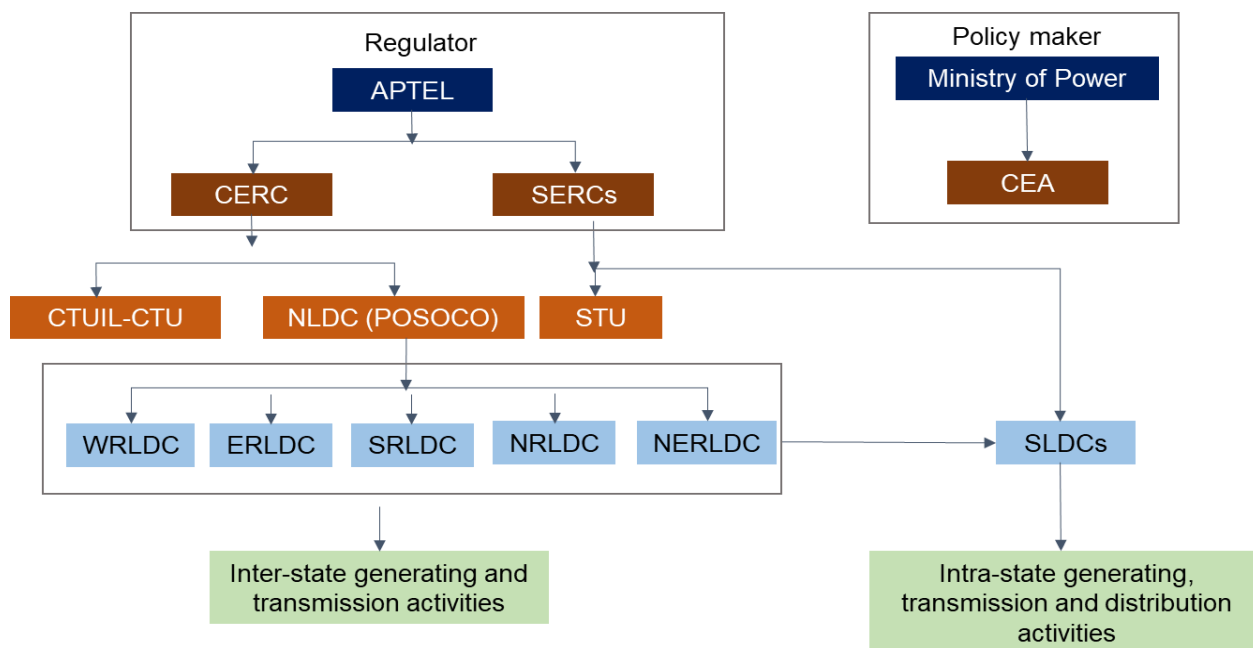
India's power sector

Evolution and structure

India's power sector is highly diversified, with sources of power generation ranging from conventional (coal, lignite, natural gas, oil, hydro and nuclear power) to viable, non-conventional sources (such as wind, solar, and biomass and municipal waste). Transmission and Distribution infrastructure has expanded over the years for evacuation of power from generating stations to load centres through the intra-state and inter-state transmission system (ISTS).

The sector is highly regulated, with various functions being distributed between multiple implementing agencies. The three chief regulators for the sector are: the Central Electricity Regulatory Commission (CERC), the Central Electricity Authority (CEA), and the State Electricity Regulatory Commissions (SERCs).

Figure 1: Institutional and structural framework



Note: APTEL – The Appellate Tribunal for Electricity; CERC- Central Electricity Regulatory Commission; CEA – Central Electricity Authority; WRLDC – Western Regional Load Despatch Centre; ERLDC – Eastern Regional Load Despatch Centre; SRLDC – Southern Regional Load Despatch Centre; NRLDC – Northern Regional Load Despatch Centre; NERLDC – North-Eastern Regional Load Despatch Centre; SLDC – State Load Despatch Centre; CTU – Central Transmission Utility; STU – State Transmission Utility

Source: CRISIL Consulting

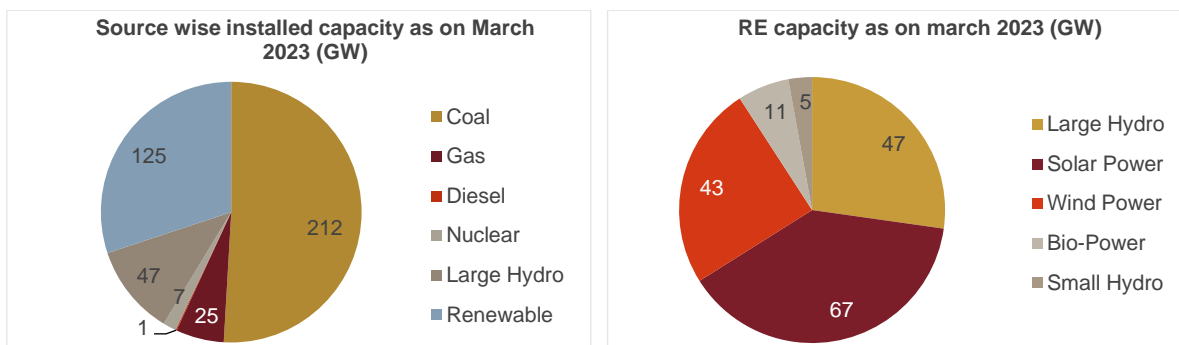
The Ministry of Power (MoP) works in close coordination with the CERC and CEA. While the CERC's role is more of a regulator for approving tariffs of central utilities, approving licenses, etc., the CEA is primarily a technical advisor focused on planning, i.e., estimating power demand and generation and transmission capacity.

Review of power demand-supply scenario in India

Power supply mix

The total installed generation capacity at the end of March 2023 was 416 GW, of which ~89 GW of capacity was added over fiscal 2017-23. The overall installed generation capacity has grown at a CAGR of 6.8% over fiscals 2012–23. Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for ~51% as of March 2023. However, RE installations (including large hydroelectric projects), have reached ~172 GW capacity as on March 2023, compared with 25 GW as on March 2012 (source: MNRE), constituting ~41% of total installed generation capacity as of date. This growth has been led by solar power, which rapidly rose to ~67 GW from 0.9 GW over the same period.

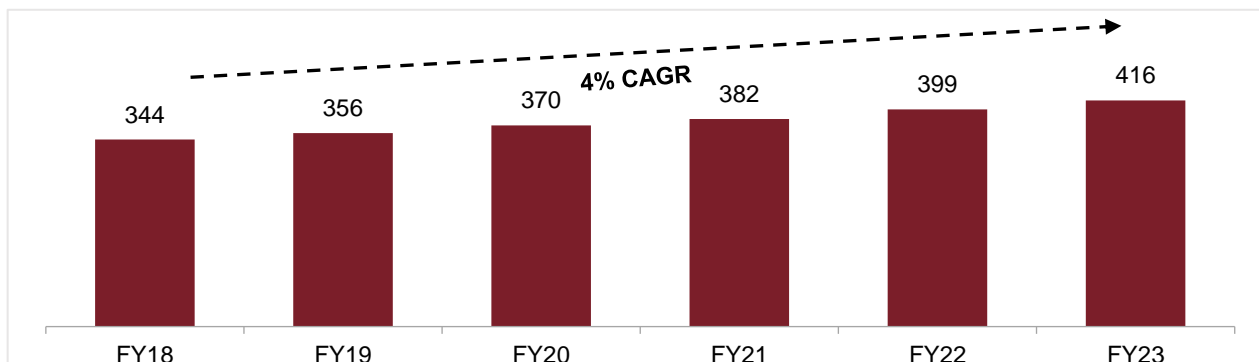
Figure 2: Details of installed capacity



* Renewable capacity excluding large hydro
 Source: CEA, CRISIL Consulting

The Electricity Act, 2003 and competitive bidding for power procurement, implemented in 2006, encouraged the participation of private market participants that have announced large capacity additions. As a result of competitive bidding, capacities of ~22 GW (fiscals 2014-23) were added by the private sector, which accounted for 73.0% of the total additions. Moreover, a strong government thrust on RE and decreasing tariffs (with falling capital costs and improving efficiency) also supported RE capacity additions. Investments from foreign funds participating in fundraising activities into the sector has also enabled growth.

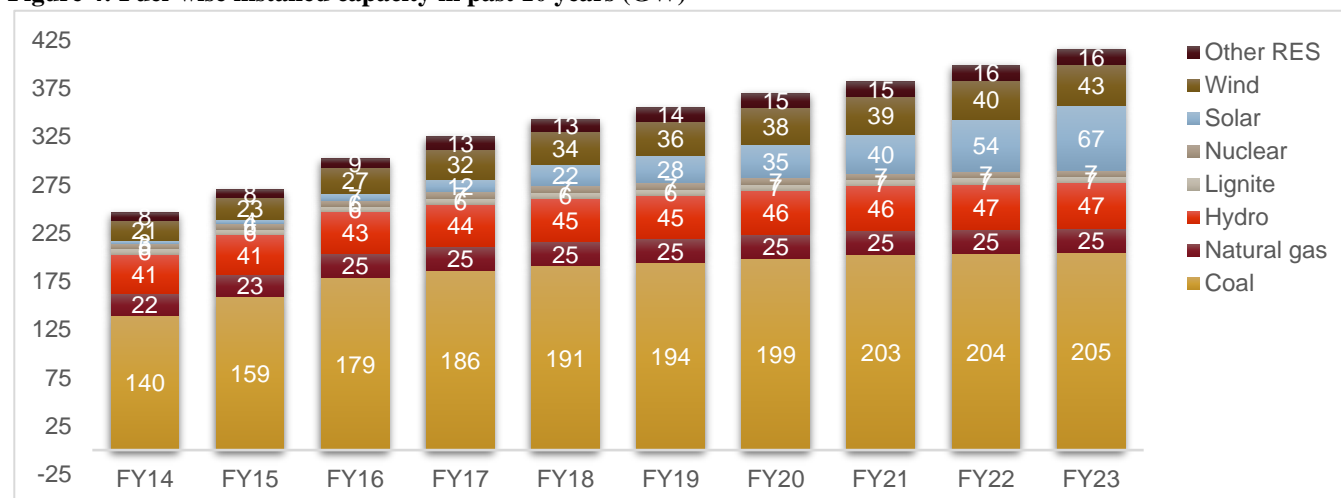
Figure 3: Evolution of all India installed generation capacity (GW)



Note: 3.9% CAGR is for capacity additions growth between FY18 and FY23
 Source: CEA, CRISIL Consulting

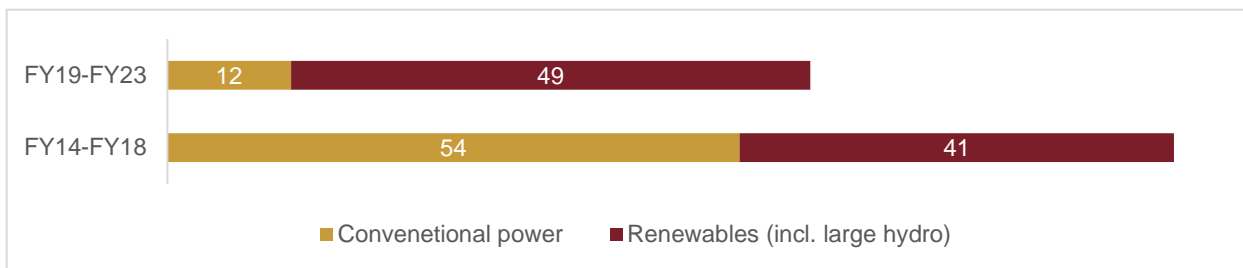
In 2014, the GoI set a target to achieve 175 GW of RE in India by December 2022, with a focus on solar energy (100 GW) and wind energy (60 GW), in addition to other RE sources such as small hydro projects, biomass projects and other renewable technologies (~15 GW).

Figure 4: Fuel-wise installed capacity in past 10 years (GW)



Source: CEA, CRISIL Consulting

Figure 5: Trend in power generation capacity addition (GW)



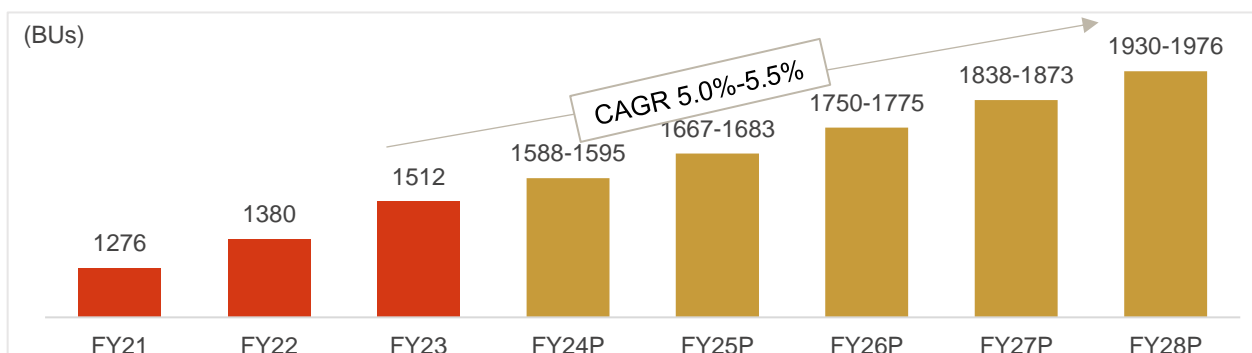
Source: CEA, CRISIL Consulting

Demand-supply outlook

Energy demand-supply forecast, fiscals 2024 to 2028

Power demand maintained a strong growth momentum in fiscal 2023 logging a double-digit growth of 10% albeit a moderate base of fiscal 2022. Extreme seasonal vagaries, sustained buoyancy in economic activities along with robust industries activities accelerated power demand. Infrastructure-linked capex, strong economic fundamentals along with expansion of the power footprint via strengthening of T&D infrastructure, coupled with major reforms initiated by the GoI for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby propelling power demand. CRISIL Consulting expects power demand to log a healthy 5.0-5.5% CAGR between the fiscals 2023 and 2028, with the growth trajectory sustaining above the long-term historical growth rate of 5% over the next five years.

Figure 6: Energy demand outlook (fiscals 2021-28)

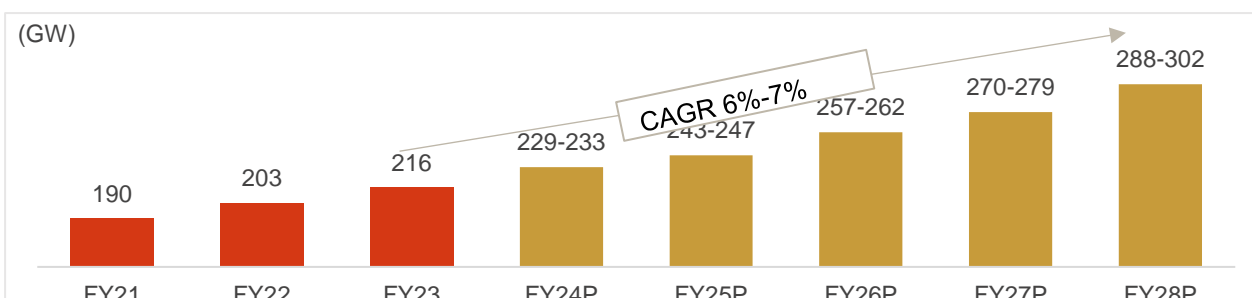


P: Projected.
Source: CEA, CRISIL Consulting

Peak demand outlook

Peak demand has outpaced base demand on several instances. While base demand has grown at a CAGR of nearly 4% over fiscals 2017-22, peak demand has grown at 5%. Even in fiscal 2021 which was marred by the COVID-19 pandemic, base demand entered into negative territory and fell 1.2%, while peak demand grew 3% to 190 GW, which was about half of the country’s installed capacity, from almost 184 GW in the prior year. The constant rise in peak demand can be attributed to economic growth, seasonal vagaries, and the increasing daily average temperature India experienced over the last decade. Peak demand is expected to grow annually at ~7% over fiscal 2023-28 to nearly 302 GW by fiscal 2028 with expected persistent high temperatures, rising urbanisation, economic growth and infrastructure push leading to higher power consumption.

Figure 7: Peak demand outlook (fiscals 2021-28)



P: Projected.
Source: CEA, CRISIL Consulting

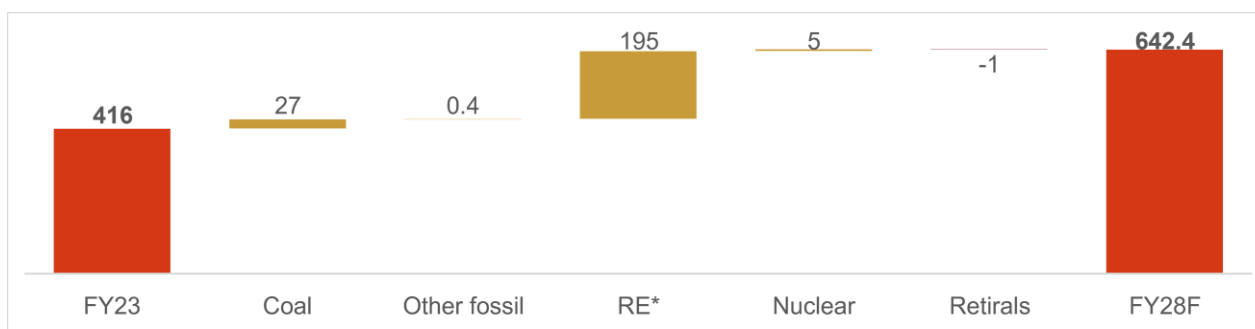
Expected capacity installation by fiscal 2028

A thermal power generation capacity of ~67 GW was under construction as of February 2023. However, CRISIL Consulting expects only 27-28 GW of coal-based power to be commissioned over fiscals 2024-28. In addition, 13-14 GW of hydro including pumped storage projects (PSP) and 4-5 GW of nuclear capacities are expected to be added. National Thermal Power Corporation (NTPC) will dominate capacity additions, with 7-8 GW being added over the next five years. NTPC also announced five brownfield expansion projects with a cumulative capacity of ~6.1 GW in fiscal 2023, for which tendering is expected to be carried out over fiscals 2023-25, whereas commissioning is expected to be beyond the next five years. Only 1-2 GW of coal plants are expected to be retired over the next five years as flexible operations required to meet rising peak demand necessitate continued running of coal plants, with certain old plants likely to operate as reserve capacity.

Installed generation capacity across fuels reached 416 GW as of fiscal 2023, on the back of healthy RE capacity additions of ~56 GW over fiscals 2018-23 and is expected to reach 550-600 GW by fiscal 2028 as renewable capacity additions (solar and wind) nearly triple to 166-172 GW over the next five years. Storage-based capacity, consisting of pumped hydro and battery energy storage systems, is likely to reach 24-25 GW by fiscal 2028, driven by PSP and battery energy storage system (BESS) capacity additions of 5-6 GW and 19-20 GW, respectively, over fiscals 2023-28. Also, India’s renewed ambitious target of reaching 500 GW of non-fossil fuel capacity by 2030 is likely to involve enhancement of the hydro capacity pipeline to support core renewables such as solar and wind.

CRISIL Consulting expects 142-147 GW of solar capacity addition between fiscals 2024 and 2028, followed by 24-25 GW through wind. Growth in capacity additions will be driven by government support, with an aggressive tendering roadmap outlined by the government. A few external factors such as an improvement in technology (floating solar and module efficiency), low-cost financing and policy push are enablers. However, a surge in component pricing, additional taxation will increase capital costs consequently affecting the ability of state discoms to offtake power at higher prices.

Figure 8: All India installed capacity addition by fiscal 2028 (in GW)

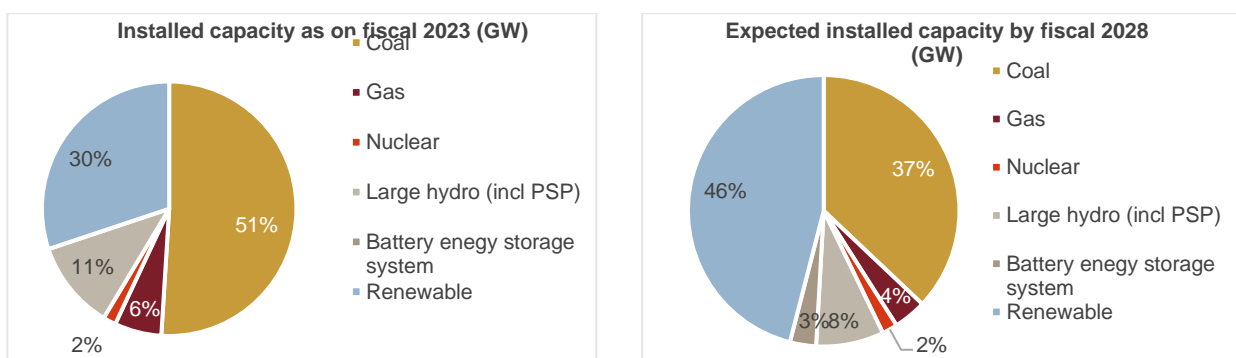


* Includes battery energy storage capacity of 25 GW

Source: CEA, CRISIL Consulting

The expected installation pipeline would increase the share of renewable capacity (including large hydro and BESS) from 41% in fiscal 2023 to ~57% in fiscal 2028. The share of coal would reduce to 37% from 51% currently over the same period.

Figure 9: Details of installed capacity



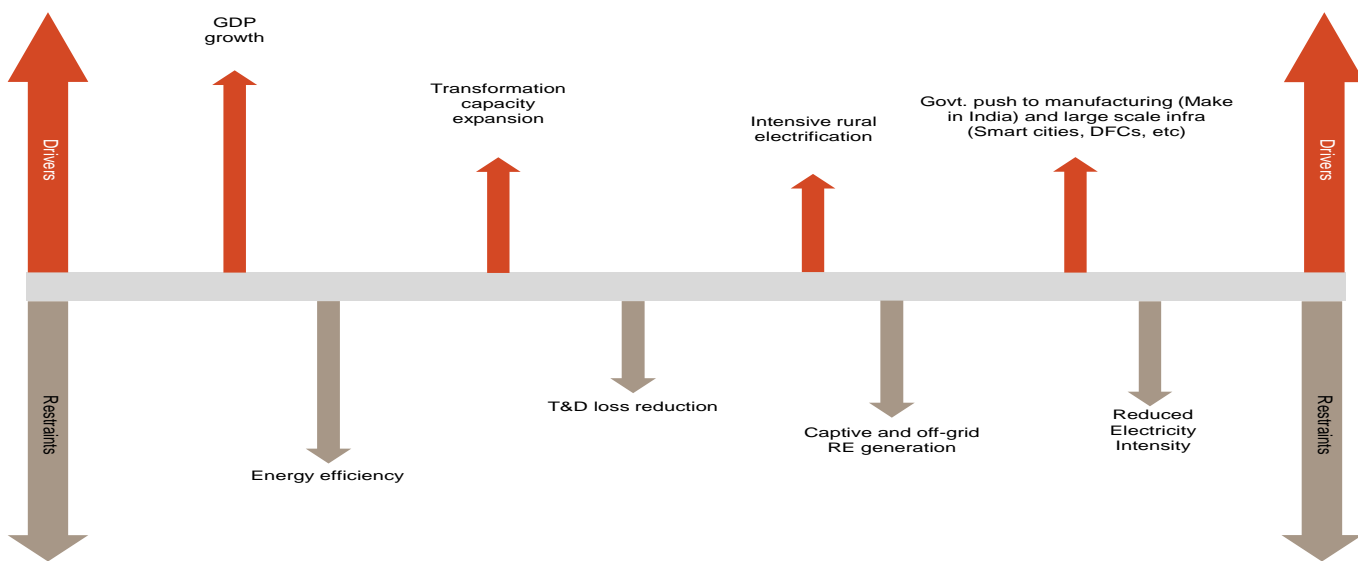
Source: CEA, CRISIL Consulting

Long-term drivers and constraints for demand growth

Power demand is closely associated with a country’s GDP. A booming economy automatically leads to a surge in power demand. India is already the fastest-growing economy in the world, with average GDP growth of 5.5% over the past decade. The trickle-down effect of Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of the dedicated freight corridors, expansion of the services industry, rapid urbanization, and increased farm income from agriculture-related reforms are key macroeconomic factors fostering power demand. Significant policy initiatives such as 24x7 power for all, Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme to provide electricity connections to all households, green energy corridor to facilitate evacuation of RE power, green city scheme to

promote the development of sustainable and eco-friendly cities, Production-Linked Incentive (PLI) scheme and low corporate tax rates among others have aided large scale manufacturing in India, further boosting power demand in the country.

Figure 10: Factors influencing power demand



Source: CRISIL Consulting

Apart from macroeconomic factors, power demand would be further fueled by railway electrification, upcoming metro rail projects, growing demand for charging infrastructure due to increased adoption of electric vehicles, higher demand from key infrastructure and manufacturing sectors. However, increasing energy efficiency, a reduction in technical losses over the longer term, and captive as well as off-grid generation from renewables would restrict growth in power demand.

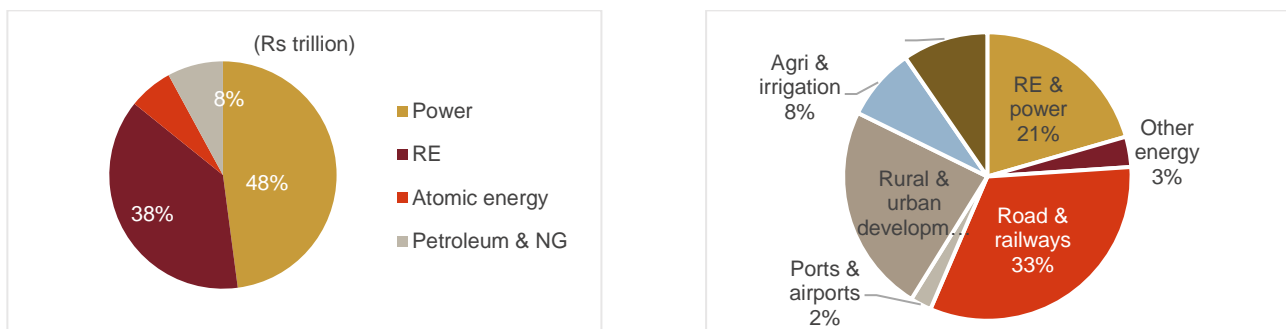
Proposed investments in the power sector

National infrastructure pipeline

The National Infrastructure Pipeline (NIP) is a roadmap to boost infrastructure across India and showcase investment opportunities in the domestic infrastructure sector, improve project preparation and attract investments into the country. The NIP aims to raise investments for key greenfield and brownfield projects across all economic and social infrastructure sub-sectors on a best-effort basis.

A total investment of ~Rs 102 lakh crore has been proposed between the fiscals 2020 and 2025 out of which around 24% has been allocated to the energy sector. The allocation of projected capital expenditure is as follows:

Figure 11: Proposed investment in the energy sector under NIP and the share of key infrastructure sectors



Source: CEA, CRISIL Consulting

Investments in generation, transmission, and distribution infrastructure

CRISIL Consulting projects investments of Rs 16-16.5 trillion in the power sector over the next five years. The share of investments in generation is expected to increase and that of distribution to decrease over the next five years compared with fiscals 2019-23.

Figure 12: Segment-wise break-up of total investments shows dominance of the generation segment



Source: CRISIL Consulting

Investments in the generation segment are expected to almost double from ~Rs 6 trillion to Rs 11 trillion over the next five years driven by renewable and conventional capacity additions of 155-160 GW. Investments in distribution to remain flat over the next five years at Rs 2.7 trillion, on the back of RDSS envisaged over fiscals 2022-26. Transmission sector investments will grow to Rs 2.15 trillion, led by upcoming ISTS and green energy corridor (GEC) projects.

Investments in generation will be led by RE capacity additions, followed by investments in conventional generation and flue gas desulphurisation (FGD) installations, indicating a shift in fund flows towards enhancing clean energy supply. Investments in RE capacity, which are expected to more than double over the next five years, in line with capacity additions, will constitute over 65% of overall generation investments. Investments in the segment will be bolstered by ~40% increase in conventional generation investments over the next five years as against the last five years, as new coal-based plants will be set up to meet the fast-growing peak load demand and increased installation of emission controlling FGD equipment in thermal stations. Total generation investments are expected to grow 85-90% over fiscals 2024-28 compared with fiscals 2019-23.

To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach ~Rs 2.15 trillion for fiscal 2024-28 driven by the need for a robust and reliable transmission system to support continued addition in generation capacity and the strong push to the RE sector as well as rural electrification. Also, strong execution capability, coupled with the healthy financials of PGCIL, will drive investments.

In the Union Budget 2021-22, the government announced RDSS worth Rs 3.04 trillion for state discoms, to be allocated over the next five years, Rs 1.65 trillion worth of detailed project reports (DPRs) have been sanctioned by nodal agencies (PFC and REC) as of June 2022. Investments in the segment are likely to pick up gradually from this fiscal onwards with central/state government(s) expected to provide the required funding support. The distribution segment is expected to attract investments worth Rs 2.5-3 trillion over fiscals 2024-28 compared with ~Rs 2.8 trillion over the last five years, led by the government’s thrust on improving access to electricity and providing 24x7 power to all.

The share of the private sector in overall power sector investments during fiscals 2024-28 is expected to increase to 48% from ~30% over the past five years largely driven by renewable capacity additions, bulk of which are funded by private investments. The share of State sector to reduce to 30% from 46% and Central Sector from 24% to 16% over the said period.

Indian solar power market

Review of solar energy capacity additions in India

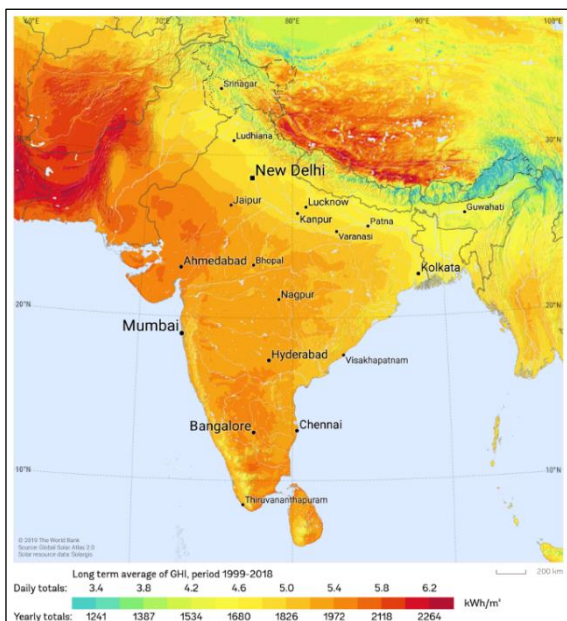
State-wise potential of renewable power

National Institute of Solar Energy estimated the country’s solar potential at 748 GW, assuming solar PV modules cover 3% of the geographical surface. India is an ideal location for solar energy because of its location. It has 300 days of sunshine each year, with daily peak electricity use being in the evenings and a seasonal peak in the summer.

The daily average Global Horizontal Irradiance (GHI) in India is around 5 kWh/m² in north-eastern and hilly areas to about 7 kWh/m² in western region and cold desert areas. The annual GHI varies from 1600 – 2200 kWh/m². Some regions of the states like Gujarat, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu offer more solar irradiance as compared to other parts of India which makes them desirable for installing solar projects.

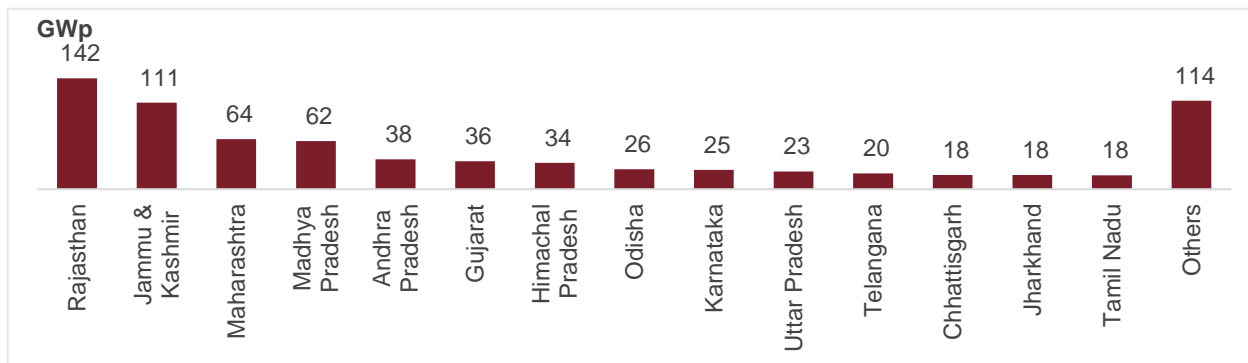
Further, during the summer months India experiences southwest monsoon winds and northeast monsoons during the winters. The Indian summer monsoon typically lasts from June-September in large areas of western and central India, whereas certain regions in South India gets rain during winter months due to northeast monsoon. Consequently, the solar projects located in Southern part of India may get affected during October-December. Additionally, unseasonal rainfall also impacts solar generation adversely.

Figure 13: Solar resource map of India



Source: World Bank

Figure 14 :State-wise solar potential



Source: MNRE, NISE, CRISIL Consulting

Growth drivers for the solar sector in India

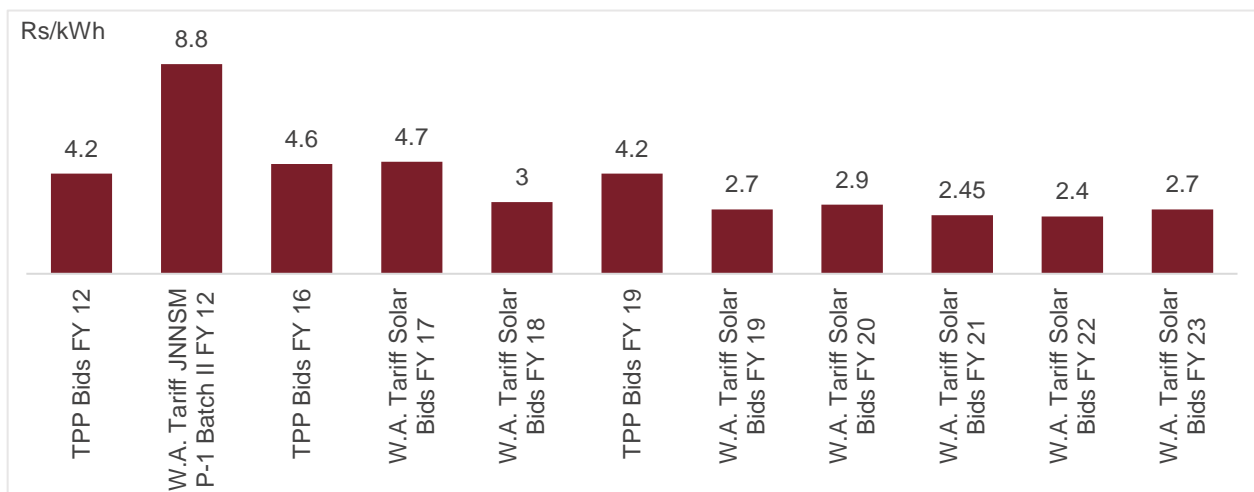
Declining module prices and tariffs

The global average solar module price, which constitutes 55-60% of the total system cost, crashed 73% to \$0.47 per watt-peak in 2016 (average for January-December) from \$1.78 per watt-peak in 2010. In fact, prices continued to decline to \$0.22 per watt-peak by end-August 2019, owing to the wide demand-supply gap in the global solar module manufacturing industry. Historically, global solar demand has been half of the total module manufacturing capacity. Moreover, innovation in the manufacturing processes has reduced costs, putting downward pressure on module prices. Further, declining inverter prices (6-7% of the capital cost), which fell to \$21 per watt-peak by March 2020, reduced system costs. Module prices reached \$0.22 per watt-peak level in fiscal 2021. CRISIL Consulting expects module prices to remain in the range of \$0.24-0.25 per watt-peak in CY2023 for mono-crystalline, lower than CY2022 prices due to a high inventory of upstream components such as wafers and cells, coupled with upcoming capacities in China, which will keep module prices low.

Solar power tariffs have been lower than coal-based power tariffs

In recent years, there has not been any major development in the case of thermal power bidding. However, considering the previously bid prices of thermal power, solar power tariffs have been on the lower side.

Figure 15: Competitively bid solar power tariffs are much lower than coal-based power tariffs



Note: TPP – Thermal power plant; JNNSM – Jawaharlal Nehru National Solar Mission; W.A. – Weighted average levelised tariffs
 Source: Details of Case 1 bids, Bidding of power from stressed assets, CEA; CRISIL Consulting

However, while looking at solar tariffs, one will have to increasingly factor in grid integration costs as the penetration level of RE increases. This is expected to increase the procurement cost from solar power plants.

Strong government thrust

The GoI has laid significant emphasis on climate change, for which it provided a framework, National Action Plan on Climate change (NAPCC), in 2008, where it proposed an eight-pronged strategy — National Solar Mission (NSM), energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture, and strategic knowledge on climate change. GoI has laid significant emphasis on solar power. This is also evident from the 100 GW out of 175 GW target set out by the GoI. Central-level allocations under NVVN Batch II, JNNSM Phase II Batch III and IV have been almost entirely commissioned. Apart from providing incentives, the government has lent significant support to the solar power sector for execution of projects.

Solar parks: One of the most important initiatives by the GoI has been setting up of solar parks in the country. This is critical given the land-intensive nature (~5 acres required per MW of solar PV) of solar projects, coupled with low average holding (1.16 hectare) per person in India. Under the Solar Park Policy released in September 2014, the government planned to prepare land banks for 20,000 MW of solar projects across 25 states. The capacity of the scheme was doubled from 20,000 MW to 40,000 MW on March 2017, to set up at least 50 solar parks by fiscal 2022. Such parks significantly reduce construction/execution risk as they include a contiguous parcel of land, evacuation infrastructure (HV/EHV substation evacuating to state grid substation), and other ancillary infrastructure and utilities such as road, water, and drainage.

Currently, 25 states, including Andhra Pradesh, Madhya Pradesh, Gujarat, Rajasthan, Uttar Pradesh, Karnataka, Telangana, West Bengal, Chhattisgarh, Tamil Nadu, Jammu and Kashmir, and a few north-eastern states, have started preparing land banks for solar parks, either through their own implementing agencies or through joint ventures with SECI. The GoI had approved 57 solar parks with aggregate capacity of 39.28 GW as of February 2023. Out of these solar parks, nine parks are fully complete, and eight parks are partially complete, with a cumulative capacity of 10,117 MW commissioned in these parks.

Although the potential of solar energy is high, there exist a few challenges, which are critical to achieving rapid growth of solar power.

Availability of contiguous parcels of land — With rapid capacity additions and stiff competition, it becomes imperative for developers to acquire land at competitive costs and in areas with high levels of solar irradiance. The 40 GW solar park scheme is facilitative in this aspect; however, beyond that capital costs and, hence, tariffs do fluctuate state to state depending on land prices and irradiance quality.

Adequacy of evacuation infrastructure — Grid integration of renewables is key to the growth of the sector. Instances of delay in readiness of transmission infrastructure at solar parks have caused concern amongst developers. However, an aggressive roadmap to add an incremental ~100 GW via new schemes and existing available capacity to the grid should be adequate for the expected additions. However, timely execution is critical.

Availability of low-cost capital — With the emergence of several large players in the sector, scale and experience have aided fundraising to an extent, especially with the backing of several foreign investors. However, a weak rupee, conservative risk appetite of lenders and other added cost pressures make it imperative for developers to maintain prudent capital management to sustain over the long term. To mitigate this, developers have been tapping alternative/ new routes to raise money from time to time.

Availability of debt and equity finance to the solar sector

To facilitate growth of RE and, in particular, the solar power sector, the GoI has provided several fiscal and regulatory incentives to developers. These incentives have been elaborated below.

Some steps taken by the government to ensure availability of low-cost finance are as follows:

- Funding from lending institutions such as IREDA and PFS: Government financial institutions such as PTC India Financial Services Limited (PFS), Rural Electrification Corporation (REC) and Indian Renewable Development Agency (IREDA) are also financing many solar projects. As of March 2019, the cumulative debt sanctioned by PFS to RE projects stood at Rs 216.4 billion. Further, IREDA, under its IREDA-NCEF refinance scheme, refinances 30% of total loan disbursed by scheduled commercial banks/ financial institutions to the project developer at a concessional rate of interest. However, projects that are aggressively bid are finding it difficult to achieve financial closure.
- Green bond / masala bonds market: A green bond is like any other bond; however, it invests the proceeds to support green energy or RE projects. The tenure of the bonds typically ranges from 18 months to 30 months and are issued for a tenure of 1-10 years. India is the second country after China to have national-level guidelines for green bonds; in India's case, they were published by SEBI. The green bonds may be issued by the national government; multilateral organisations such as Asian Development Bank, the World Bank or the Export-import (EXIM) bank of the country; financial institutions; and corporations. Some recent instances of green bond issuances in India are given below:
- Pension funds / endowment funds: Pension / endowment funds are expected to play a key role in financing solar projects. Canadian funds such as Brookfield Asset Management and Caisse de Dépôt et Placement du Québec (CDPQ) have already announced a ~\$2 billion investment in India.
- Private equity investments and debt investments: In a quest to reduce the cost of capital for projects and further improve project economics, many players have increasingly resorted to private equity and debt investments to free up capital. The proceeds are used to invest in new projects. Developers have been exploring several diverse instruments / sources to raise finance such as green bond issuances, external borrowings, private placements (qualified institutional buyers), etc. This not only lowers the cost but also frees credit from domestic banks to be used again as initial capital for new projects.
- Funding from multilateral banks and International Solar Alliance (ISA): Further, the government channelises the funds available from multilateral banks and financing institutes such as World Bank and KfW. Funds are also provided to the Indian government under the Climate Investment Fund of the World Bank. For instance, SBI has received ~\$625 million of soft loans with a long tenure of 20 years. On the same lines, KfW Germany provided a 1-billion-euro loan through IREDA for funding solar projects. Further, European Investment Bank has signed a long-term loan of 150 million euros with IREDA to finance clean energy projects in India.

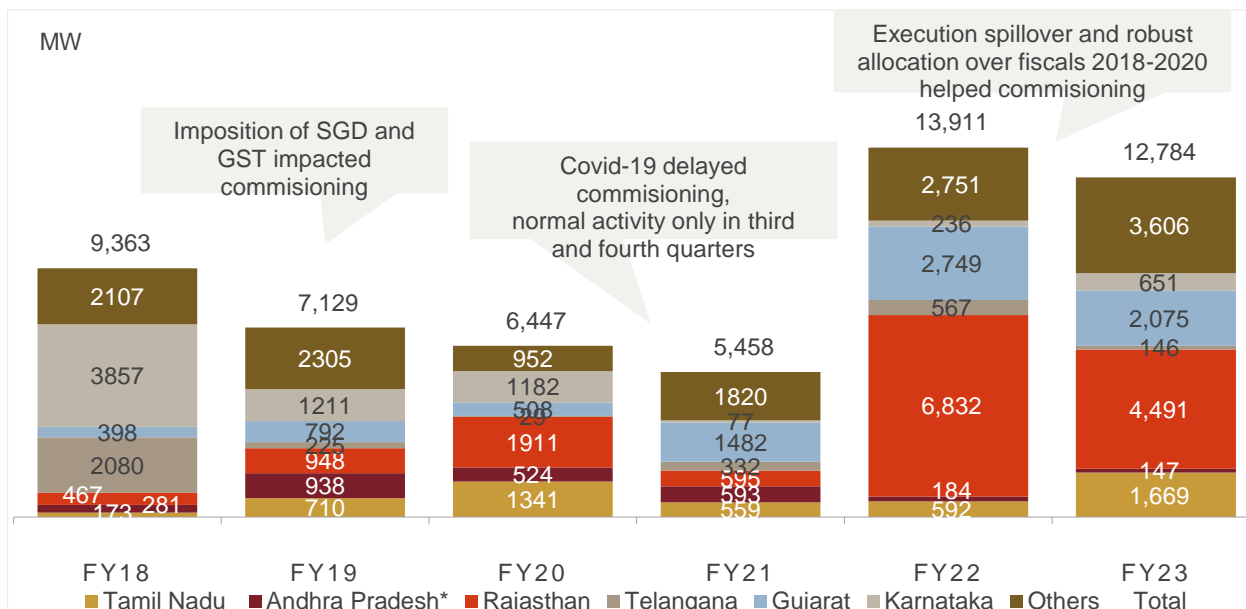
Solar capacity additions in India from fiscals 2018-2023

Robust pick-up in solar additions in fiscal 2022; momentum expected to continue

As much as 54.8 GW capacity was added in the segment over fiscals 2018-23, registering a CAGR of ~25.27%, although on a moderately low base. However, in fiscal 2023, the solar capacity added was slightly lower at 12.78 GW (13.91 GW in fiscal 2022). The sector missed its capacity addition targets for the fifth year in a row. Despite the second wave of COVID-19 infections, fiscal 2022 witnessed solar capacity additions of ~14 GW. In a relief to developers, the MNRE has provided total extension of seven-and-a-half months for the projects affected by the first and second waves of pandemic. This is estimated to have delayed commissioning in fiscal 2022, leading to a spillover into fiscals 2023 and 2024. In fiscal 2023, solar capacity additions stood at ~12.78 GW, with ~2.2 GW coming from rooftop solar projects, led by state-level incentives and the remaining from utility scale. The momentum continued in fiscal 2023, with robust solar capacity additions of ~13 GW.

Commissioning activity has been concentrated in the key states of Rajasthan, Gujarat, and Tamil Nadu, where of ~8 GW capacity was added in fiscal 2023; ~65% share was concentrated in these three states combined. In the previous fiscal as well, the installation trend was driven by the same states. Scheme-wise commissioning was driven by several large projects under SECI ISTS hybrid 1200 MW tranche-I, SECI ISTS hybrid 1200 MW tranche-II, SECI ISTS 2000 MW Tranche IX, SECI 2000 MW CPSU Tranche-I and CPSU scheme Phase-II Tranche I, which got commissioned in the third quarter of the previous fiscal.

Figure 16: States that helped drive solar capacity addition in India



Source: MNRE; CRISIL Consulting

Policy changes, pandemic-related relief and renegotiation have impacted execution momentum

Robust capacity addition is expected from fiscals 2022 to 2024 due to a strong pipeline nearing the end of timeline extensions. Capacity additions slowed since fiscal 2019-2021 in the segment due to several policy and execution-related challenges as mentioned below.

- **Abeysance of ALMM (Approved List of Models and Manufacturers):** The ALMM mandate has been kept in abeyance for a year and will not be applicable if a project is commissioned before March 31, 2024. The draft was introduced to give momentum to solar additions which declined in fiscal 2023 due to the unavailability of domestically manufactured modules. The mandate was introduced in 2021 to boost domestic manufacturing by approving the list of manufacturers who could participate in the solar development projects bid out by the government. The mandate was later extended to the government’s open-access projects as well.
- **COVID-19 restrictions:** The pandemic led to mobility and labour-related challenges in the first quarter of fiscal 2022 and the first half of fiscal 2021, which hampered execution. Further, the MNRE provided 7.5 months of extension for the segment, which was a positive move for developers but delayed commissioning schedules.
- **Power sale agreement (PSA) delay:** Nearly 8 GW of auctioned solar projects floated by the SECI were delayed due to challenges in finding off-takers, with PSAs remaining unsigned. This is largely due to the state discoms, who are the major off-takers, increasingly deferring the signing of the PSAs amid lower tariffs of Rs 2.3-2.5 per unit. However, with the government’s plan of stricter RPOs, a higher penalty in case of non-compliance, and a revision of tariff in the manufacturing-linked tender from Rs 2.92 per unit to Rs 2.54 per unit, PSA-signing activity increased in fiscal 2022 with ~14 GW of PSAs signed. Further, SECI had also already signed ~1,200 MW till September 2022.
- **Infrastructure issues:** Land availability and grid connectivity challenges delayed 5-6 GW of projects. Land acquisition challenges arise since many stakeholders must be involved to acquire large tracts of land in a single location as well as reported delays in solar park infrastructure, leading to a slowdown in the pace of project execution.
- **Payment delays:** After the record-breaking tariffs of Rs 2.44 per unit in the Bhadla solar park auctions in May 2017, several state discoms became hesitant to go through with fresh bids, which were at higher tariffs. This created a fear of discoms renegeing on commitments, especially for the duration in which PPAs remained unsigned after the auctions.

Overview of solar policies in key states

Table 1: Installation targets by key States in Solar/RE Policies

	Rajasthan	Maharashtra	Tamil Nadu	Karnataka	Gujarat	Andhra Pradesh	Madhya Pradesh
Policy	Solar Energy Policy, 2019	RE Policy 2020	Solar Energy Policy, 2019	RE Policy for 2022-2027	Solar Power Policy 2021	Solar Power Policy – 2018	RE Policy, 2022
Policy targets	30 GW of solar power by fiscal 2025	12.9 GW by 2025	9 GW by 2023	10 GW of additional RE projects	No specific Target	No specific Target	10 GW RE parks/ RE hybrid parks by 2027 4 GW RE projects for exporting power outside state by 2024 and 10 GW by 2027

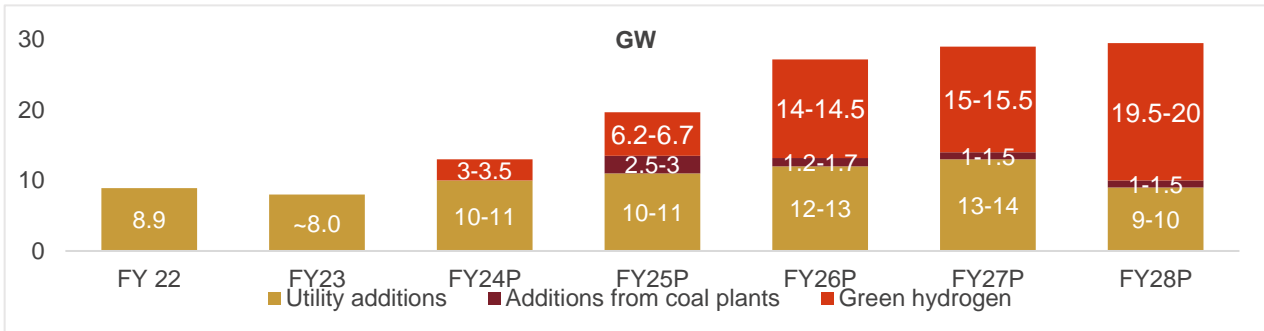
Source: Respective State Policies, CRISIL Consulting

Outlook of solar energy capacity additions in India

Outlook of grid-connected solar energy capacity additions

CRISIL Consulting expects solar power capacity additions of 142-147 GW over the next five years through fiscal 2028, as compared with ~54.5 GW over fiscals 2018-2023. To arrive at capacity additions, CRISIL has considered the progress of capacity allocations from the above schemes. For analysis, CRISIL has also factored in the economic feasibility of tariffs, the extent of payment security, the financial health of state discoms, RPO targets, upcoming green hydrogen production additions as well as execution risks in project implementation. Consequently, the share of solar power in total units generated (MU) is projected to jump from 4.9% in fiscal 2023 to 12-12.5% by fiscal 2028.

Figure 17: Utility scale solar capacity additions expected at 60-65 GW over FY24-28



P: Projected, Source: CRISIL

CRISIL has summarised the main policies accounted for in our outlook on capacity additions:

- Entire NSM phase II, Batch II Tranche I of 3,000 MW has been commissioned
- Under NSM phase II, Batch III and IV, SECI through its state-specific viability gap scheme (VGF), has tendered out ~7 GW of capacities, most of which has been completed
- SECI has also tendered capacities under various other schemes, where ~23 GW is allocated and under construction, while ~6 GW is tendered
- Under the state schemes, ~14 GW of projects are under construction and expected to be commissioned over fiscals 2024-28. About 16 GW worth of solar projects are expected to be up for bidding over the coming months
- The government has expanded the 1 GW CPSU programme to 12 GW to encourage cash-rich central PSUs to set up RE projects. About 922 MW, 1104 MW and 5,000 MW got allocated under Tranche I, II and III of this scheme, respectively. CRISIL Consulting expects 5-6 GW from this scheme to be commissioned till fiscal 2027
- CRISIL expect 10-11 GW of projects to be commissioned under the open access utility segment over the next five years through 2028, driven by the go-green initiatives/sustainability targets of C&I consumers, effective long-term policies in Karnataka, Uttar Pradesh and Maharashtra, and lower offtake risk coupled with conducive policies such as the Green Open Access Regulations.
- Manufacturing capacity-linked projects: Adani Green Energy (6W of power generation) and Azure Power (2 GW) won the bid. The companies also availed 2 GW each under the green-shoe option. Both these companies recently signed PPAs

with SECI for ~4.67 GW and 2.3 GW, respectively. The capacities for manufacturing-linked tenders are expected to be commissioned in phases from fiscal 2025. Additionally, in September 2021, SECI revised the tariff to Rs 2.54 from Rs 2.92 per unit. This led to a pickup in PSA signing activity for manufacturing-linked tenders, with 1 GW of PSAs signed by TANGEDCO, 0.5 GW by GRIDCO, and the remaining capacity signed by AP discoms.

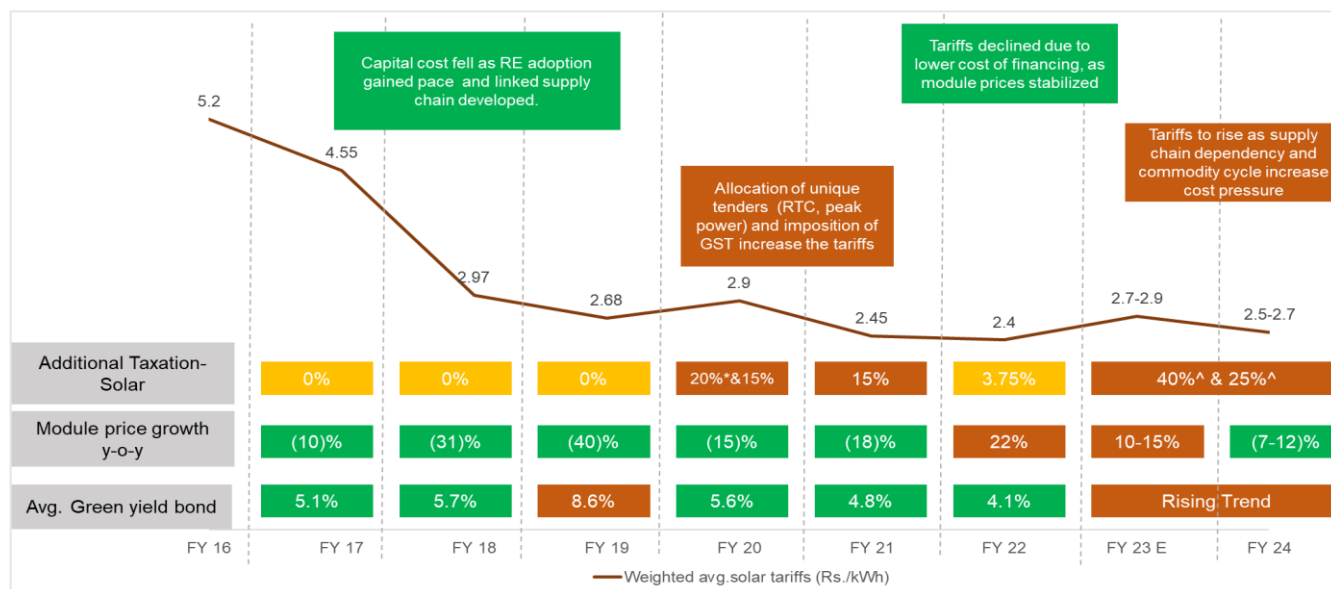
- CRISIL Consulting expects 14-15 GW of projects to be commissioned under the solar rooftop segment over the next five years through fiscal 2028, led by capacities tendered by SECI (up to 2,000 MW); capacities allocated by the state governments (1,500-2,000 MW); commissioning of 1,000-1,500 MW of capacities by government institutions such as metro, railways, and airports; and 7,000-7500 MW of capacities to be added by C&I consumers under net/gross metering schemes of various states and the remaining ~1,500 to 2,000 MW by residential consumers
- Production of green hydrogen is expected to start from fiscal 2026, with expected production of 0.5-1 million tonne, which will see solar capacities starting fiscal 2024. As the government pushes towards the target production of 5 million tonne of green hydrogen by 2030, more solar capacities are expected to be commissioned, totalling 57-62 GW by fiscal 2028, to cater to the demand of producing 2-2.5 million tonnes of green hydrogen, but this is a key monitorable
- Renewable generation obligation (RGO) for upcoming coal power plants will additionally add 6-7 GW capacities by fiscal 2028.
- 500 GW non-fossil target by 2030 under COP26 to drive solar capacity additions: India set an ambitious goal at the COP26 summit. 50% of the installed power generation capacity will likely be from non-fossil fuel based capacity. This is expected to ensure continued positive regulatory support, which is a critical enabler of capacity additions in the segment.

Outlook on levelized tariffs for solar PV power plants in India

On the pricing front, solar tariffs declined rapidly from fiscals 2016 to 2020, with a rapid fall in component pricing, technological improvements in efficiency, and the government’s policy push. While declining module prices contributed to a reduction in tariffs over fiscals 2017 to 2019, access to low-cost financing was the primary driver for the decline in tariffs over fiscals 2020 to 2022, where global investments in the Indian RE segment picked up via green bond issuances and external commercial borrowings, helping lower the cost of debt for the space. The participation of global players and entities with strong credit profiles (CPSUs) has helped tariffs remain in the Rs 2.4-2.6 per unit range even until fiscal 2022, when supply-side disruptions started to emerge.

The increase in module prices, coupled with policy changes impacting the sourcing of modules for new projects in future and the cost of debt on an uptrend, given the uncertain global climate, leads to expectations of weighted average tariffs increasing to Rs 2.7-2.9 per unit in fiscal 2023. CRISIL Consulting expects tariffs to reach Rs 2.5-2.7 per unit by fiscal 2024 as developers will factor in lower availability of modules and subsequent cost pressures arising from limited supply.

Figure 18: Weighted average solar tariff trend



Note: * Represents the duty rate for six months each in the fiscal. [^] Represents duty removed from July 29, 2021. ^{^^} Represents imposition of 40% and 25% BCD on solar cells and modules, respectively.

Source: CRISIL Consulting

SUMMARY OF BUSINESS

Sustainable Energy Infra Trust (“SEIT” or “Trust”), is an Indian infrastructure investment trust, sponsored by 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers’ Pension Plan Board (“OTPPB”) and Mahindra Susten Private Limited. According to the CRISIL Report, with entire capacity of the MSPL Sponsor proposed to be part of the proposed Trust, it would become the Indian InvIT with the largest renewable energy portfolio. The Sponsors established the Trust on July 20, 2023 and the Trust was registered with SEBI on August 11, 2023 as an InvIT in accordance with the InvIT Regulations. The Trust proposes to have a focus on investment in renewable energy projects.

The Trust, subject to receipt of certain approvals, will directly or indirectly hold 100.00% equity interest in the six Initial Portfolio Assets (including BREPL, ASPL and NSPL, which are currently held by MRPL), which shall collectively hold eight renewable energy projects (“Projects”). The Initial Portfolio Assets are currently directly or indirectly held by the MSPL Sponsor and other shareholders. The Projects have an aggregate capacity of 1.54 GWp and are located across five states in India with operating histories of approximately one to seven years. Each of the Initial Portfolio Assets have entered into long term power purchase agreements (“PPAs”) with approximately 96% by DC capacity of the PPAs having been entered into with counterparties which are backed by the Central Government and Madhya Pradesh Power Management Company Limited (“MPPMCL”) and Delhi Metro Rail Corporation Limited (“DMRC”). As on March 31, 2023, the weighted average residual term of the PPAs, calculated using DC capacity, is approximately 22.69 years and the Projects may have further life of approximately 10 years after expiry of the PPAs.

A brief description of the Projects held by our Initial Portfolio Assets and a map illustrating the locations of the Projects have been set out below:

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Total Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)
ASPL Project	Gujarat	April 30, 2017	40.00	52.00	4.43	Solar Energy Corporation of India Limited (“SECI”)	25
	Gujarat	July 2, 2017	25.00	32.50	4.43	SECI	25
BREPL Project	Andhra Pradesh	January 5, 2016	10.00	12.50	5.99 ⁽¹⁾	Southern Power Distribution Company of Andhra Pradesh Limited (“APSPDCL”)	25
ISTS Project	Rajasthan	October 29, 2021 ⁽²⁾	250.00	362.00	2.53	SECI	25
Rewa Project	Madhya Pradesh	January 3, 2020	250.00	336.30	2.979 ⁽³⁾	MPPMCL and DMRC	25
Goyalri Project	Rajasthan	April 30, 2017	60.00	78.00	4.35	National Thermal Power Corporation Limited (“NTPC”)	25
SECI RJ Project	Rajasthan	October 14, 2021 ⁽⁴⁾	200.00	280.00	2.50	SECI	25
MSUPL Project	Rajasthan	June 17, 2022 ⁽⁵⁾	250.00	335.00	2.54	SECI	25
NSPL Project	Telangana	November 6, 2017	42.00	49.70	5.59	Northern Power Distribution Company of Telangana Limited (“TSNPDCL”)	25

(1). ₹ 5.99 / KWh with yearly escalation of 3% till the 10th year

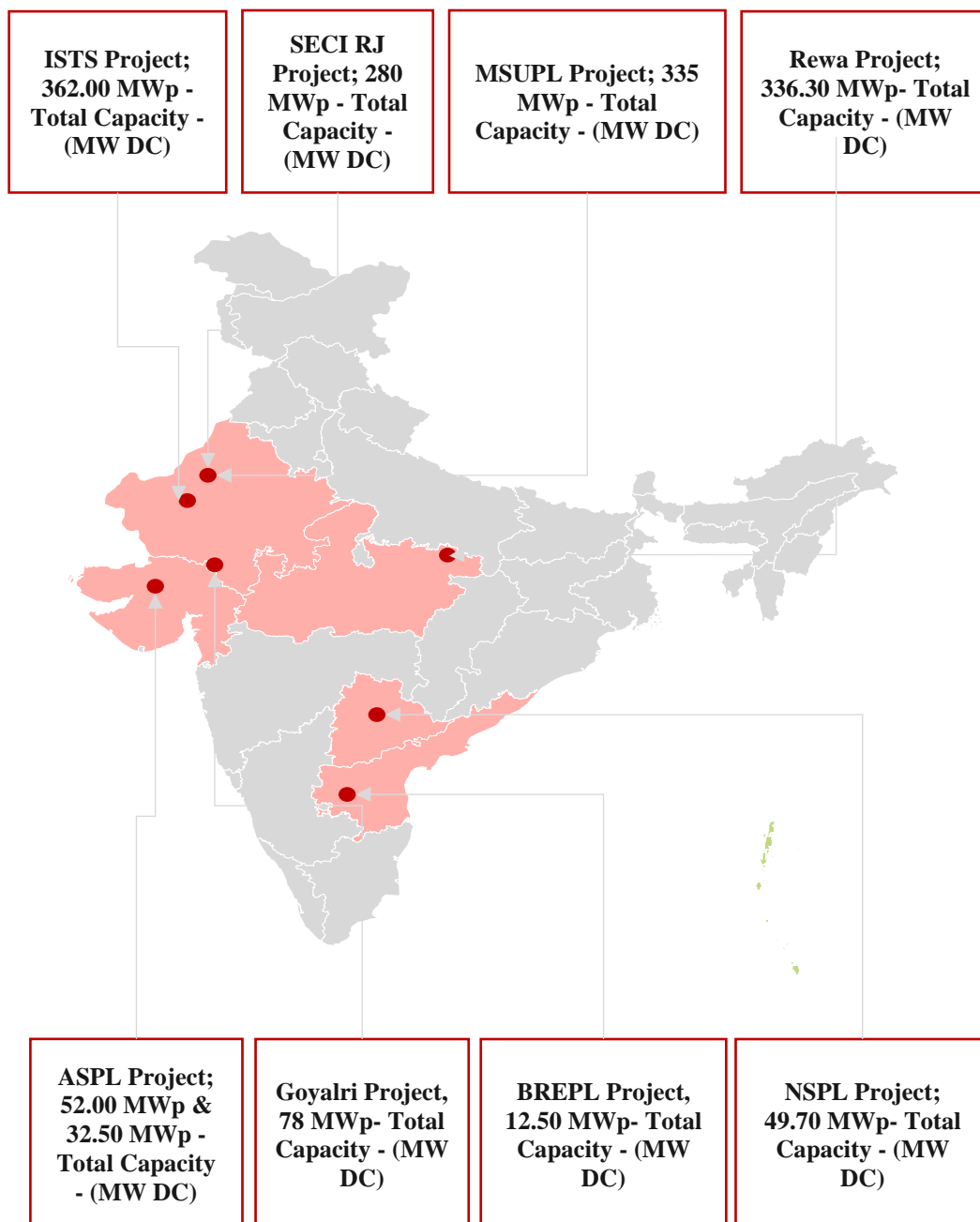
(2). COD is October 15, 2021, however, the amended scheduled commercial operations date is October 29, 2021

(3). +₹ 5 paise yearly escalation from the 2nd to the 16th year

(4). COD is October 14, 2021, however the SCOD is December 1, 2021

(5). COD is June 17, 2022, however, the SCOD is June 29, 2022

For further details in relation to the Initial Portfolio Assets, please see the section entitled “Summary of Power Purchase Agreements” on page 238.



Note: Map not drawn to scale.

The revenue from operations of the Initial Portfolio Assets on a combined basis for the Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 was ₹7,343.19 million, ₹5,205.37 million, and ₹3,265.94 million respectively. The table below sets forth the key financial and operational indicators in relation to the Initial Portfolio Assets on a combined basis for the periods indicated:

₹ in millions, except percentage

Particulars	As of/for the year ended March 31, 2021	As of/for the year ended March 31, 2022	As of/for the year ended March 31, 2023
Revenue from operations	3,265.94	5,205.37	7,343.19
Other income	82.53	127.75	306.86
EBITDA*	2,924.58	4,433.68	6,216.29
EBITDA Margin %	89.55%	85.18%	84.65%

* EBITDA is calculated as Profit Before Tax and Exceptional Items + Depreciation and Amortisation + Finance Cost – Interest Income

For further details please see the section entitled “Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust” on page 273.

According to the CRISIL Report, the potential of solar energy in India is high and there exist a few challenges, which are critical to achieving rapid growth of solar power. Pursuant to the ‘right of first offer agreement’ to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors (the “ROFO Agreement”), the Trust has a ‘right of

first offer' to acquire projects developed by the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date. Additionally, the Investment Manager has, on behalf of the Trust, adopted an Acquisition Policy which governs the acquisition of assets from third parties. For further details on the ROFO Agreement, please see sections entitled "Related Party Transactions" and "Corporate Governance" on pages 295 and 137.

The OTPP Sponsor is a 100% subsidiary of OTPPB. OTPPB is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. OTPPB has extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its recent 30% investment in the MSPL Sponsor in 2022, its investment of up to US\$175 million in the infrastructure investment trust Highways Infrastructure Trust, in 2022, its investment of C\$ 308 million in National Highways Infra Trust across 2021 and 2022 and its US\$250 million commitment to the National Investment & Infrastructure Fund in 2019.

The MSPL Sponsor is Mahindra Group's renewable energy platform, which includes one of the leading renewable engineering, procurement and construction ("EPC") businesses (capacity constructed of over 4.5 GWp), an independent power producer ("IPP") business with around 1.54 GWp of operational solar plants spread across several states in India, and plan to have a significant solar development pipeline. The IPP solar portfolio is spread across 5 key states in India and is backed by long-term power purchase agreements. Approximately 96% of the MSPL Sponsor's assets are backed by Central Government and Madhya Pradesh Power Management Company Limited ("MPPMCL") and Delhi Metro Rail Corporation Limited ("DMRC"). Besides its own in-house management team with extensive capabilities across both EPC and IPP domains, the MSPL Sponsor also benefits from solar plant operations and maintenance services and other technical expertise of Mahindra Teqo Private Limited.

The Mahindra Group is one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. The Mahindra Group has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate and has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living.

The Trustee, Axis Trustee Services Limited is a trusteeship company which has been registered with SEBI as a debenture trustee under the SEBI Debenture Trustee Regulations since January 31, 2014. The Investment Manager of the Trust is Sustainable Energy Infra Investment Managers Private Limited and the Project Manager of the Trust is Green Energy Infra Project Managers Private Limited. The Investment Manager and Project Manager of the Trust will manage the Trust's and the Initial Portfolio Assets' businesses. For further details, please see the section entitled "Our Business – Operations and Maintenance" on page 235.

For further details of the Sponsors, the Investment Manager, the Project Manager and the Trustee, please see the section entitled "Parties to the Trust" on page 102.

Our Strengths

The key strengths of the Trust include the following:

1. Sizeable portfolio of long-term income generating assets with predictable cash flows

The Trust will have a sizeable initial portfolio consisting of six Initial Portfolio Assets, collectively holding eight renewable energy projects. The Trust, accordingly, would become the Indian InvIT with the largest renewable energy portfolio, according to the CRISIL Report.

The Initial Portfolio Assets have operating histories of approximately one to seven years and have no construction risks and are 100% operational Projects. Each of the Initial Portfolio Assets have entered into long term PPAs with the weighted average residual term of the PPAs, calculated using DC capacity, of approximately 22.69 years as on March 31, 2023.

Our Initial Portfolio Assets use modules and inverters manufactured by vendors such as Canadian Solar Inc., First Solar FE Holdings Pte. Ltd., Jolywood (Taizhou) Solar Technology Co. Ltd., Zhejiang Jinko Solar Co. Ltd., Trina Solar Energy Development Pte. Ltd., Sungrow India Private Limited, SMA Solar India Private Limited, Sineng Electric India Private Limited and Longi Solar Technology Co. Ltd.

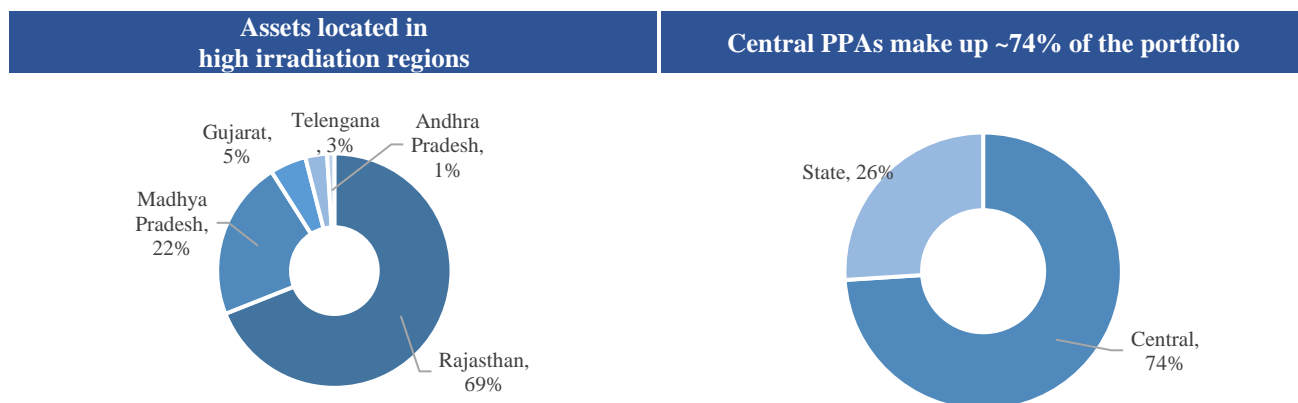
In accordance with the terms of the PPAs, the Projects have a pre-determined tariff structure, with escalations specifically set out in the PPAs in some instances. As on March 31, 2023, the Projects had a weighted average tariff of ₹2.99 per kWh based on DC capacity and tariffs). For details in relation to the PPAs, please see the section entitled "Summary of Power Purchase Agreements" on page 238. The long-term nature of the PPAs and the pre-determined tariff structure result in the Projects generating stable revenue and predictable cash flows.

As a result, our Initial Portfolio Asset have maintained an average plant availability of 98.2%, for the year ended March 31, 2023, which is one of the factors which provides stable cash flows from our Initial Portfolio Assets. The revenue from operations of the Initial Portfolio Assets on a combined basis for the Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 was ₹7,343.19 million, ₹5,205.37 million, and ₹3,265.94 million respectively.

2. *Diversification across strategically located assets with stable off-takers*

India has 300 days of sunshine each year, with daily peak electricity use being in the evenings and a seasonal peak in the summer, according to the CRISIL Report. As per the CRISIL Report, some regions of states like Gujarat, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu offer more solar irradiance as compared to other parts of India which makes them desirable for installing solar projects. Majority of the Initial Portfolio Assets proposed to be held by the Trust are strategically located in these States. The Projects are located across five states of India, being, Rajasthan, Madhya Pradesh, Gujarat, Telangana and Andhra Pradesh.

Please see below state wise location of Initial Portfolio Assets along with the PPA make up, according to the CRISIL Report:



(Source: CRISIL Report)

As on March 31, 2023, the Projects had a weighted average tariff of ₹2.99 per KWh based on DC capacity and tariffs).

Further, the Initial Portfolio Assets have entered into long-term PPAs with off-takers primarily comprising of Central Government agencies, State government agencies and private off-takers such as DMRC.

Additionally, pursuant to the 'right of first offer agreement' to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors (the "**ROFO Agreement**"), the Trust has a 'right of first offer' to acquire projects developed by the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date. Additionally, the Investment Manager has, on behalf of the Trust, adopted an Acquisition Policy which governs the acquisition of assets from third parties. Accordingly, this will lead to further diversification of the portfolio of assets that may be held by the Trust. For further details in relation to the Acquisition Policy adopted by the Investment Manager (on behalf of the Trust), please see the section entitled "*Corporate Governance – Policies of the Board of Directors of the Investment Manager in relation to the Trust – Acquisition Policy*" on page 145

3. *Growth potential backed by the Sponsors and the ROFO over future assets developed by the MSPL Sponsor*

The OTPP Sponsor and its affiliates, and the MSPL Sponsor, have significant experience in identifying and executing mergers and acquisitions in the infrastructure space. The Trust can utilise such experience to negotiate acquisitions, which may generate profit and create growth opportunities for the Trust. For further details in relation to our Sponsors, please see the section entitled "*Our Business – Our Strengths – Strong Sponsor Support*" on page 220.

We also intend to leverage the experience and expertise of the MSPL Sponsor by accessing its pipeline of renewable energy projects to gain a competitive advantage within the renewable energy industry in India. Pursuant to the ROFO Agreement, we have a 'right of first offer' to acquire renewable energy assets. For details in relation to the ROFO Agreement, please see the section entitled "*Related Party Transactions*" on page 295.

4. *Strong Sponsor support*

We intend to leverage the experience and expertise of our Sponsors and their affiliates, to gain a competitive advantage within the energy infrastructure industry. The OTPP Sponsor and its affiliates, and the MSPL Sponsor, have extensive experience of operating and managing large-scale projects, which will benefit us across all stages of project operations and acquisitions within India's complex regulatory framework. Drawing upon this experience, we believe our affiliation to our Sponsors, provides us the ability to leverage their parentage and long-term industry relationships with stakeholders. Further, our affiliation to our Sponsors will allow us to pursue renewable energy projects and engage effectively with counterparties, off-takers and regulatory authorities. Further, the Mahindra Group and OTPPB have entered into a strategic partnership to capitalise on the growing renewables opportunity in India and contribute towards the country's decarbonisation ambitions. As a result of this transaction, the Mahindra Group and OTPPB have committed to deploy an additional amount of up to ₹

45,500.00 million into the business of the MSPL Sponsor.

MSPL Sponsor

The MSPL Sponsor has a track record in developing, operating and maintaining renewable energy projects across India. The MSPL Sponsor has a portfolio of owned renewable assets with a capacity of more than 1.5 GWp (with all assets being operational). The MSPL Sponsor has an in-house engineering, procurement and construction team and has developed/executed renewable assets with a total capacity of more than 4.5 GWp (including Initial Project Assets and other renewable assets developed for other independent power producers and third parties) including projects developed across Thailand and Saudi Arabia. Over the years, the MSPL Sponsor has demonstrated its capability to adapt and deploy various advanced technologies including solar thin film modules as an independent power producer, single-axis trackers, automated cleaning robots, all-terrain cable trays for laying cables on rocky strata and containerised inverter stations, bi-facial modules and BESS (battery energy storage system). The MSPL Sponsor had a win ratio of 39% across Central and State tenders during the period March 31, 2016 to March 31, 2020.

The MSPL Sponsor's team consisting of more than 200 members as of March 31, 2023 and has expertise across the value chain (including project bidding and site selection, land acquisition, engineering, procurement and construction, operations and maintenance, asset management, and capital structuring and financing for both equity and debt) ensuring returns for high-quality projects delivered. The MSPL Sponsor has a robust internal control system with policies and procedures in place to adhere with environment, health and safety, and all other regulatory requirements.

The MSPL Sponsor is backed by the Mahindra Group and OTPPB (with a 30% shareholding owned by 2452991 Ontario Limited, a subsidiary of OTPPB). The Mahindra Group enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and also has a presence in more than one hundred countries around the world. Mahindra & Mahindra Limited had a consolidated revenue from operations of ₹ 1,212,685.50 million for the period ended March 31, 2023. It has a strong commitment towards sustainability and aims to be a carbon neutral group by 2040 with 100% use of renewable electrical energy.

OTPP Sponsor

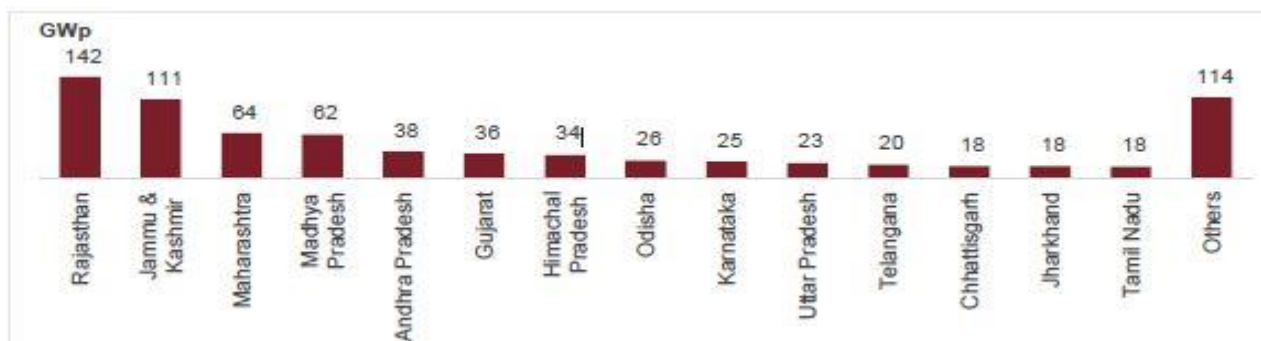
The OTPP Sponsor is a 100% subsidiary of OTPPB which is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. It is engaged in investment activities primarily with an objective of generating stable returns and earning long term capital appreciation and has more than 350 dedicated investment professionals with expertise in various industries as on March 31, 2023.

OTPPB has extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its recent 30% investment in MSPL Sponsor in 2022, its investment of up to US\$175 million in the infrastructure investment trust Highways Infrastructure Trust, in 2022, its investment of C\$ 308 million in National Highways Infra Trust across 2021 and 2022 and its US\$250 million commitment to the National Investment & Infrastructure Fund in 2019. OTPPB has invested US\$ 25 billion (as of November 2022) in green energy and decarbonization across APAC, North and South America and Europe. OTPPB also has extensive experience in global renewable energy transactions including its 50% acquisition of a 2.5GW renewable energy portfolio from NextEra (2021), its ~50% interest in Asia-focused renewable energy platform Equis Development (2020) and its 50% stake in global renewables platform Cubico Sustainable Investments (2015).

5. *Attractive industry sector with favourable government policies*

According to the CRISIL Report, installed generation capacity across fuels reached 416 GW as of fiscal 2023, on the back of healthy renewable energy capacity additions of ~56 GW over fiscals 2018-23 and is expected to reach 550-600 GW by fiscal 2028 as renewable capacity additions (solar and wind) nearly triple to 166-172 GW over the next five years. Further, India's renewed ambitious target of reaching 500 GW of non-fossil fuel capacity by 2030 is to involve enhancement of the hydro capacity pipeline to support core renewables such as solar and wind, according to the CRISIL Report.

According to the CRISIL Report, National Institute of Solar Energy estimated India's solar potential at 748 GW, assuming solar photovoltaic modules cover 3% of the geographical surface. Details of state-wise solar potential is given below:



(Source: CRISIL Report)

As per the CRISIL Report, an addition of 142-147 GW of solar capacity is expected between fiscals 2024 and 2028, followed by 24-25 GW through wind. Growth in capacity additions will be driven by government support, with an aggressive tendering roadmap outlined by the Government. A few external factors such as an improvement in technology (floating solar and module efficiency), low-cost financing and policy push are enablers. The expected installation pipeline would increase the share of renewable capacity from 41% in fiscal 2023 to ~57% in fiscal 2028, according to the CRISIL Report.

According to the CRISIL Report, the Government of India has laid significant emphasis on climate change, for which it provided a framework, National Action Plan on Climate change (“NAPCC”), in 2008, where it proposed an eight-pronged strategy — National Solar Mission (“NSM”), energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture, and strategic knowledge on climate change the Government of India has laid significant emphasis on solar power. This is also evident from the 100 GW out of 175 GW target set out by the Government of India. Apart from providing incentives, the government has lent significant support to the solar power sector for execution of projects.

The Trust proposes to primarily focus on investing in solar, wind and hybrid technologies. According to the CRISIL Report, National Institute of Solar Energy estimated the country’s solar potential at 748 GW, assuming solar photovoltaic modules cover 3% of the geographical surface. Based on the study by the National Institute of Wind Energy, the installable wind potential of the country is estimated as 695 GW at 120m above ground level. One of the most important initiatives by the Government of India has been setting up of solar parks in the country. This is critical given the land-intensive nature (~5 acres required per MW of solar PV) of solar projects, coupled with low average holding (1.16 hectare) per person in India. Under the Solar Park Policy released in September 2014, the Government of India planned to prepare land banks for 20,000 MW of solar projects across 25 states. The capacity of the scheme was doubled from 20,000 MW to 40,000 MW on March 2017, to set up at least 50 solar parks by fiscal 2022. According to CRISIL Report, solar parks significantly reduce construction/ execution risk as they include a contiguous parcel of land. The Investment Manager believes that due to high potential in the solar energy industry and green initiatives by the Central Government, a number of acquisition opportunities may be available for the Trust. Further, trends such as (i) availability of contiguous parcels of land, (ii) adequacy of evacuation infrastructure, (iii) availability of low-cost capital and (iv) availability of debt and equity finance to the developers in the solar sector have increased attractiveness of assets in the sector and created extensive growth opportunities for the Trust.

Accordingly, we believe we are well placed within a growing industry to leverage the macroeconomic factors to grow our business. For further details on the market opportunity for the renewable energy industry in India, please see the section entitled “Industry Overview” on page 151.

6. **Managed by an experienced team with expertise in managing infrastructure assets**

We are managed by the qualified personnel of our Investment Manager, that is led by a professional team having extensive experience in the infrastructure sector, including the power sector, project finance and asset management with the key personnel and directors having a combined experience of more than 130 years in fund management and advisory services. We also draw on the knowledge of the Board of Directors of Investment Manager, who bring us expertise in the areas of corporate governance, business strategy, and operational and financial capabilities, among others. Accordingly, we expect to benefit from the industry and management expertise of the team of our Investment Manager, by receiving strategic guidance from them and access to capital markets and value accretive acquisition opportunities. Further, we depend on the Project Manager, which has qualified personnel with experience in the infrastructure sector and in-depth understanding of managing renewable energy projects, to supervise the operation and maintenance of the Projects. For further details on the Investment Manager and the Project Manager, please see the section entitled “Parties to the Trust” on page 102.

We believe that the experience of our management team (Investment Manager and Project Manager) in the infrastructure sector will ensure that the Initial Project Assets and the Trust are operated and managed in an efficient manner. The team is supported by other qualified operational personnel, through appropriate contractual arrangements, who have an in-depth understanding of the sector in which we operate.

With the aim of enshrining principles of good corporate governance and effective management and operations of the Trust, the Investment Manager has constituted various committees such as the ‘audit and risk management committee’ and adopted various policies such as an ‘anti-corruption policy’ and a ‘policy in relation to unpublished price sensitive information’ to manage the activities of the Trust. In accordance with the InvIT Regulations, the Investment Manager has also adopted the (a) ‘distributions policy’ pursuant to which distributions are required to be made to the Unitholders at least once a year for periods after Allotment and (b) ‘borrowing policy’ which aims to outline the borrowing thresholds and process in relation to the Trust. Further, the Investment Manager has also adopted the ‘appointment of auditor and valuer policy’ which aims at formulating a structure for ensuring compliance by the Trust in appointment of its auditor and the auditing standards followed and the appointment of its valuer, in accordance with applicable law including the InvIT Regulations and ‘code of conduct policy’ which aims at formulating a framework for ensuring interest of the Unitholders and proper conduct in carrying out the business and affairs of the Trust. For details in relation to the corporate governance framework of the Investment Manager, please see the section entitled “*Corporate Governance*” on page 137.

We believe that our governance process will ensure adherence and enforcement of principles of sound corporate governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations.

Our Strategies

Going forward, the following are our business strategies:

1. *Continue to pursue accretive growth by expanding the portfolio of energy assets*

As per the CRISIL Report, additions in solar power capacity of 142-147 GW over the next five years through fiscal 2028 is expected, as compared with ~54.50 GW over fiscals 2018-2023. We intend to capitalize on these sectoral tailwinds to grow our operations by leveraging our Investment Manager’s value accretive acquisition strategy. We aim to focus on acquiring renewable energy projects in accordance with our investment objectives. Pursuant to the ROFO Agreement, we have a ‘right of first offer’ to acquire renewable energy assets from the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date.

The Mahindra Group and OTPPB have entered into a strategic partnership to capitalise on the growing renewables opportunity in India and contribute towards the country’s decarbonisation ambitions. As a result of this transaction, the Mahindra Group and OTPPB have committed to deploy an additional amount of up to ₹ 45,500.00 million into the business of the MSPL Sponsor. This transaction will further enable us to build a strong renewable energy business focused on solar energy, hybrid energy, integrated energy storage and round-the-clock (“**RTC**”) green energy plants.

In addition to potentially acquiring the ROFO Assets from the MSPL Sponsor, we may also evaluate opportunities and acquire projects from other third parties and aim to have a mix of projects with solar, wind, hydro and any other renewable energy asset category. We intend to assess such opportunities based on our investment criteria such as the assets having strong counterparties with a mix of central off-takers, state and large enterprises, the energy source, the size of the projects, the tariff rates, long residual life of the assets and strategy to hold assets till maturity. The Investment Manager proposes to undertake extensive due diligence on the projects prior to acquisition, including in terms of technical strengths of the assets, financing undertaken, the safety, environmental health and sustainability aspects of the assets and a review from a compliance standpoint including legal, regulatory, anti-bribery and corruption, fraud and sanctions diligence. The Investment Manager shall focus on sourcing assets and hedging unforeseen transaction risks through appropriate transaction structuring. Indicative target eligible infrastructure project classes, which may be acquired by the Trust in future are as follows:

- a) grid connected solar and wind assets;
- b) hybrid solar or wind assets;
- c) round the clock and hybrid; and
- d) any other eligible infrastructure asset operating in the relevant energy sub-sector, as identified in the harmonized list of infrastructure sub-sectors and as agreed between the Sponsors.

For details in relation to the acquisition of assets, please see the sections entitled “*Related Party Transactions – ROFO Agreement*” and “*Corporate Governance – Acquisition Policy*” on pages 304 and 145.

2. *Institute and maintain prudent capital management policies and maintain optimum capital structure to maximise distributions for Unitholders’*

We seek to achieve an optimal capital structure for our Projects and will seek to source funds from multiple sources, including from domestic and international markets. Immediately on completion of the Offer, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 49% of the total value of the InvIT Assets, as prescribed under the InvIT Regulations and we seek to ensure that the Trust has a debt structure to support the capital

available with the Trust. Our low leverage will also result in better credit rating for our Trust, thus allowing us favourable financing terms and cost. CRISIL Ratings Limited has assigned a “Provisional CRISIL AAA/Stable” rating for the proposed long-term bank facility of the Trust, in their credit rating rationale, taking into account the Initial Portfolio Assets, subject to the terms set out therein. We have the potential to increase our borrowings in the future to up to 70% of the value of our assets under management while maintaining a AAA credit rating, obtaining unitholders approvals and complying with certain other conditions and we intend to optimize our leverage to retain enough flexibility to provide sustainable and predictable cash flows, while evaluating potential acquisition or development opportunities in the future.

We will seek to employ appropriate financing and borrowing policies and also diversify our funding sources with an objective of minimizing our overall cost of capital. We will seek to optimize our debt and equity mix in such a manner that the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents, will be in accordance with the InvIT Regulations. Further, total debt of 70% of the value of the InvIT Assets will be raised only upon compliance with the conditions set out in the InvIT Regulations. 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. We shall distribute at least 90% of the net distributable cash flows of the Trust to the Unitholders, at least once in every financial year.

3. *Implement a robust Environmental Social Governance (“ESG”) and sustainability framework*

We aim to keep increasing our focus on ESG aspects to remain relevant and operate a business that is viable in the long-term. Apart from traditional risks, businesses are also exposed to the anticipated risk of climate change and therefore we continue to orient our operations as an ESG-focused enterprise.

According to the CRISIL Report, under the backdrop of supportive regulatory and industry trends in India’s renewable energy sector, we intend to strengthen our position in our renewable energy businesses, develop a diversified portfolio of renewable energy projects and focus on geographical clusters to increase our economies of scale. We will continue to focus on our ESG goals, by reinforcing our commitment to renewable energy, maximizing energy efficiency, reducing our carbon footprint, and enhancing sustainability. We propose to set up ESG management systems and ESG action plans and we intend to ensure compliance with the same and ensure that relevant performance standards are considered while engaging in activities with any environmental or social impact. The Investment Manager (on behalf of the Trust) intends to leverage its experience in executing large renewable energy projects. We will continue to evaluate accretive acquisition opportunities based on our targeted returns, available synergies, and off-taker criteria.

We also place significant emphasis on social and economic development by optimizing value retention in the local economy by generating local employment, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability, and ensuring the health and safety of our workforce in the communities where we operate.

For further details, please see the section entitled “*Our Business – Environment, health and safety*” on page 236.

4. *Continue to optimise operational efficiencies*

We shall appoint the Project Manager to undertake operations management of the Projects in furtherance of which the Project Manager shall enter into O&M agreements with Mahindra Teqo. Further, Mahindra Teqo will be provided a right-of-first-offer over the O&M services for any future projects to be acquired by the Trust.

The principal objective is to incorporate standard industry practices in operating and maintaining the Projects. This standard approach to O&M activities seeks to employ both preventive and corrective measures in order to optimise the long term performance of each Project and any assets we may acquire in the future and ensure timely and effective management focus and attention, to improve overall operational efficiency. We are in the process of adopting comprehensive procedures for asset management, operations and maintenance, ESG management, financial management including treasury management; human resource management, and safety, health environment, and quality management with an objective of incorporating industry standard practices. We believe that having established procedures in place helps reduce the overall operational costs and increase efficiencies, which may in turn improve our financial performance. We intend to regularly review our maintenance methodologies and system performance for optimization of resource deployment.

RISK FACTORS

An investment in the Units involves risks. Before investing in the Units, prospective investors should pay particular attention to the fact that the Trust, the Parties to the Trust, each of 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. Prospective investors should carefully consider the risks and uncertainties described below and all the information in this Draft Placement Memorandum, before making an investment in the Units. If any of the risks described below occurs, our business, cash flows, financial condition and prospects could be materially and adversely affected. The risks and uncertainties described in this section may not be the only risks and uncertainties the Trust currently faces. Additional risks and uncertainties not presently known to the Trustee, the Sponsors or the Investment Manager, or that the Trustee, the Sponsors or the Investment Manager currently deem immaterial, may arise or may adversely affect our business, prospects, financial condition, cash flows, results of operations of the Trust and as a result, the returns on investments of the Unitholders. Unless otherwise stated in the relevant risk factors set forth below, the Trustee, the Sponsors and the Investment Manager are not in a position to specify or quantify the financial or other risks mentioned herein.

*This Draft Placement Memorandum also contains forward-looking statements, including the financial projections (the “**Projections**”), that involve risks, uncertainties and assumptions. The actual results of the Trust and Initial Portfolio Assets could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in the Draft Placement Memorandum.*

In making an investment decision, prospective investors must rely upon their own examinations and the terms of the Offer, including the merits and the risks involved. To obtain a complete understanding, prospective investors should read this section in conjunction with the sections entitled “Our Business”, and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 215 and 273, respectively, and the “Audited Special Purpose Combined Financial Statements” enclosed as Annexure A as well as all other information contained in the Draft Placement Memorandum. Prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer.

In making an investment decision, prospective investors must rely upon their own examinations and the terms of the Offer, including the merits and the risks involved. The prospective investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer.

In this section, unless specified otherwise, references to “we”, “us” and “our” are to the Trust and Initial Portfolio Assets, on a consolidated basis. Furthermore, unless the context otherwise require, the financial information used in this section is derived from the Audited Special Purpose Combined Financial Statements prepared under Ind AS.

Risks Related to Our Business

1. ***The Trust is a newly settled trust with no established operating history and no historical financial information and, as a result, investors may not be able to assess its prospects on the basis of past records.***

The Trust was established on July 20, 2023, and registered with SEBI on August 11, 2023 and proposes to acquire 100% of the issued and paid-up equity share capital of the Initial Portfolio Assets (the “**Share Capital**”) from MSPL Sponsor and other shareholders, pursuant to the Share Purchase Agreements, immediately prior to the Closing Date. For further details, please see the section entitled “*Related Party Transactions – Acquisition of the Initial Portfolio Assets by the Trust*” on page 297. Accordingly, the Trust, as an infrastructure investment trust, does not have an operating history or historical financial information by which our past performance may be judged. This could make it difficult for investors to assess the future performance and prospects of the Trust. We are subject to business risks and uncertainties associated with any new business enterprise formed through a combination of existing business enterprises. There can be no assurance that we will be able to generate sufficient revenue from our operations or that the Initial Portfolio Assets will be able to generate sufficient cash flows from the operations of the InvIT Assets to make distributions to our Unitholders or that such distributions will be in line with those set out in the section entitled “*Projections of Revenue and Operating Cash Flow*” enclosed as Annexure B. We cannot assure that we will be successful in addressing the risks we may encounter, and our failure to do so could have a material adverse effect on our business, financial conditions, results of operations and cash flows.

The Audited Special Purpose Combined Financial Statements, consisting of historical financial data of the Initial Portfolio Assets and the Trust, as applicable, have been included as Annexure A of this Draft Placement Memorandum, and there are estimates and judgments inherent in the preparation of such data. There can be no assurance that our future performance will be consistent with the estimates of past financial performance as indicated on page 16 of this Draft Placement Memorandum.

2. ***Our business will be subject to environmental conditions, seasonal fluctuations and natural calamities that could have a material adverse effect on our business, financial conditions, and results of operations.***

The revenues generated by our Projects are proportional to the amount of electricity generated, which in turn is dependent upon prevailing environmental conditions. Our power generation is highly dependent on weather conditions and the profitability of our operations depend not only on observed weather conditions at the project site but also on the consistency of those weather conditions. We base our investment decisions with respect to each solar energy project on the findings of related energy studies conducted on-site prior to such acquisition. However, operating results for solar energy projects vary depending on natural variations from season to season and from year to year and may also change permanently because of climate change or other factors (including conditions resulting from man-made causes, such as smog from crop burning), which are beyond our control. In addition, the amount of electricity our Projects produce is dependent in part on the amount of sunlight or irradiation. For instance, there may be a fall in electricity generation due to certain environmental conditions, such as, cloudy weather, sandstorms, heavy rainfall, solar eclipse and environment pollution.

Unfavourable weather and atmospheric conditions could impair the effectiveness of our Projects or reduce their output to levels below their rated capacity. Furthermore, components of our systems, such as solar panels and inverters, could be damaged by severe weather conditions, such as hailstorms, tornadoes or lightning strikes or levels of pollution, dust and humidity. For instance, on March 18, 2023, the NSPL Project was impacted by heavy wind, rain and hailstorm, which resulted in damaging various modules, drains and peripherals, tracker components etc. and also resulted in misalignment of the tracker structure at certain locations. Further, such natural phenomena may result in delays in periodic maintenance and reduce productivity, thereby adversely affecting our business, financial condition and results of operations, as indicated in this Draft Placement Memorandum and section entitled “*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust*” on page 273. As per the CRISIL Report, the operational performance of a solar energy project also depends on the topography of the land on which the project is situated. As per the CRISIL Report, various seasonal factors and natural calamities also affect the power generation from the renewable energy projects. For instance, the shorter days in winter provide reduced sunlight hours resulting in lower irradiation, adversely affecting the output of solar power projects. Our solar energy projects are also affected by the monsoon season. As per the CRISIL Report, during the summer months India experiences southwest monsoon winds and northeast monsoons during the winters. The Indian summer monsoon typically lasts from June-September in large areas of western and central India, whereas certain regions in South India gets rain during winter months due to northeast monsoon. Consequently, the solar projects located in Southern part of India may get affected during October-December. Additionally, unseasonal rainfall also impacts solar generation adversely.

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

3. ***The Initial Portfolio Assets have entered into Power Purchase Agreements which contain certain onerous provisions and any failure to comply with such agreements could result in adverse consequences including penalties.***

The Initial Portfolio Assets have entered into Power Purchase Agreements with off-takers, including SECI, APSPDCL, MPPMCL, DMRC, NTPC and TSNPDCL with which the Initial Portfolio Assets have a limited ability to negotiate. The standard form of the Power Purchase Agreements are provided by the off-takers as a part of the request for selection or proposal while bidding for the project.

As a result, the Power Purchase Agreements contain terms that may be onerous to the Initial Portfolio Assets in relation to, among other things, (i) substitution clauses allow the lenders in consultation with the off-takers to exercise their rights, if any, under financing agreements, to seek substitutions of the relevant Initial Portfolio Asset by a selectee for the residual period in the event of suspension or termination of the Power Purchase Agreement, due to a breach or default by such Initial Portfolio Asset and (ii) restrictions on increasing the Contracted Capacity without obtaining prior approvals from CEIG. Failure to comply with these requirements could result in adverse consequences, including the Initial Portfolio Assets being liable for compensating the relevant off-takers for such breach or termination of the Power Purchase Agreements. For instance, in case of BREPL Project, BREPL filed a petition against our off-takers before the Andhra Pradesh Electricity Regulatory Commission in relation to the deduction of certain amount from the monthly bills of BREPL due to installation of additional capacity DC modules. BREPL pleaded that as a developer it has the right under the power purchase agreements to install additional capacity DC modules as long as the installed capacity of the solar project is in accordance with the Contracted Capacity. Subsequently, the Andhra Pradesh Electricity Regulatory Commission in its order dated February 1, 2023, held that the off-taker has committed an error in measuring the capacity at the injection point. Under certain of our Power Purchase Agreements, the Initial Portfolio Assets are required to provide indemnity to certain off-takers.

Further, the Power Purchase Agreements have pre-defined tariff for the entire term of the relevant Power Purchase Agreement for Contracted Capacity and the majority of our off-takers, at any time during a contract year, are not obliged to purchase any additional energy from the relevant Initial Portfolio Asset beyond the specified capacity in the relevant Power Purchase Agreement and may purchase power beyond acceptable deviations at lower tariffs. If for any contract year, it is found that the relevant Initial Portfolio Asset has not been able to generate minimum energy of specified capacity

with the time periods specified in the relevant Power Purchase Agreement, on account of reasons solely attributable to the Initial Portfolio Asset, then such non-compliance shall make the Initial Portfolio Asset liable to pay the compensation provided in the relevant power purchase agreement as payable to buying utilities (as defined in the relevant Power Purchase Agreement), subject to certain conditions specified, and may lead to termination of the relevant Power Purchase Agreement. For instance, certain liquidated damages, amounting to ₹ 6.51 million, were paid by MSPL Sponsor to NTPC for the Goyalri Project in the financial year 2022 in relation to shortfall in generation. Further, any excess generation over and above the specified quantity may be purchased by our off-takers at a lower rate at their option and often subject to conditions such as their ability to procure purchasers for such excess generation.

The restrictions and uncertainties impose constraints on the flexibility of the Trust to conduct its business and its financial conditions and results of operations may be adversely affected. In the event any off-taker or a lender invokes any restrictive provision in the relevant Power Purchase Agreement or interprets any term or condition in an adverse manner or there are any changes to our current tariff rates, such invocation or interpretation or amendment may adversely affect our business, financial condition and results of operations. For further details in relation to the Power Purchase Agreements, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

4. ***We have limited flexibility in negotiating tariffs with the counter-parties to our Power Purchase Agreements.***

We have, typically, acquired the rights to develop and generate power from new projects through a competitive bidding process, in which we compete for project awards based on, among other things, pricing, technical and engineering expertise, financial conditions, including specified minimum net worth criteria, financing capabilities and track record. The Power Purchase Agreements executed by the Initial Portfolio Assets have a pre-determined tariff structure, with escalations specifically set out in the Power Purchase Agreements only in some instances and we had a limited ability to negotiate the terms of such Power Purchase Agreements. If there is an industry-wide increase in tariffs, we may not be able to renegotiate the terms of the Power Purchase Agreements to take advantage of such increased tariffs. For further details, please see the sections entitled “*Our Business*” and “*Summary of Power Purchase Agreements*” on page 215 and 238. As a result, in the event of increase in operating costs or equipment costs, or increased costs as a result of changes in applicable laws or as a result of inflation or for any reason whatsoever, we may not be able to pass these cost increases on to our counterparties other than that which may be provided for in the relevant contracts. India being a developing nation, the rate of inflation is high as compared to developed nations and hence there is an increase in cost due to inflation. Therefore, the prices at which we supply power may have little or no relationship with the costs incurred in generating power, thereby, reducing the profits for the Trust as projected. Tariff structuring mechanisms also have been changing in India. For example, in July 2019, the Andhra Pradesh Southern Power Distribution Company Limited, on its own account, reduced the tariff rate provided to various solar power developers (including BREPL). While the solar power developers challenged such reduction before the Andhra Pradesh High Court and were successful, we cannot assure you that similar instances will not occur in the future with other counter parties to the Power Purchase Agreements. We have also experienced delays in the adoption of tariffs and delays in receivables for some Power Purchase Agreements. Therefore, the prices at which we supply power may not have any direct relationship with the costs incurred in generating power. For further details in relation to tariff structure, please see the section entitled “*Our Business*” on page 215.

5. ***We are reliant on certain off-takers and any decline in their financial condition or our relationship with them may adversely effect our results of operations.***

The Initial Portfolio Assets have entered into Power Purchase Agreement with off-takers, including SECI, APSPDCL, MPPMCL, DMRC, NTPC and TSNPDCL. Each of the Initial Portfolio Assets have entered into long term Power Purchase Agreements with approximately 96% by DC capacity of the Power Purchase Agreements entered into with counterparties which are backed by the Central Government and Madhya Pradesh Power Management Company Limited (“**MPPMCL**”) and Delhi Metro Rail Corporation Limited (“**DMRC**”). As per the CRISIL Report, since, commissioning activity has been concentrated in the key states of Rajasthan, Gujarat, and Tamil Nadu, there is a limited number of purchasers of utility scale quantities of electricity under the long-term Power Purchase Agreements, which exposes us to purchaser concentration risk. As at the date of this Draft Placement Memorandum, our solar energy projects have exposure of off-takers as set out above, and any event impacting their economic condition may adversely affect our business, financial condition, results of operations, and prospects. If the financial condition of these utilities and/or power purchasers deteriorate or the solar policies to which they are currently subject to compels them to change the source of their renewable energy supplies, then the demand for electricity produced by our solar power projects could be negatively impacted which in turn could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Further, we expect that we will continue to be reliant on certain off-takers in relation to renewable energy projects for the foreseeable future. Accordingly, any failure to maintain our relationship with these off-takers or the expiry or termination of the Power Purchase Agreements could have an impact on our financial condition and our growth prospects. Further, we may not be able to negotiate and execute renewed Power Purchase Agreements on terms that are commercially viable, with the off-takers. Post the term of the relevant Power Purchase Agreements, there is no assurance of power off-take by the counter parties to the Power Purchase Agreements, hence, this could adversely impact the cash flows and operations of the Trust.

6. ***Our ability to deliver electricity to our various counterparties requires the availability of and access to interconnection facilities and transmission systems which we do not own or control, and we are exposed to the extent and reliability of the Indian power grid and its dispatch regime.***

Our ability to deliver electricity is impacted by the availability of, and access to, relevant and adequate evacuation and transmission infrastructure required to deliver power to our contractual delivery point and the arrangements and facilities for interconnecting our generation projects to the transmission systems, which are owned and operated by third parties or state electricity boards, such as RRVPNL, PGCIL etc. The operational failure of existing interconnection facilities or transmission facilities or the lack of adequate capacity on such interconnection or transmission facilities or evacuation infrastructure may have an adverse effect on our ability to deliver electricity to our various counterparties which may subject us to penalties under our Power Purchase Agreements. The Initial Portfolio Assets may also have to pay certain additional charges due to deviation settlement mechanism and evolving regulations, which may increase in the future.

Grid integration of renewables is key to the growth of the sector. As per the CRISIL Report, instances of delay in readiness of transmission infrastructure at solar parks have caused concern amongst developers. As a result of grid constraints, such as grid congestion and restrictions on transmission capacity of the grid, the transmission and dispatch of the full output of our projects may be curtailed. We may have to stop transmitting electricity during the period when electricity cannot be transmitted, for instance, when the transmission grid is not available or when there is a grid emergency or when the invertors are turned off. This may affect our ability to supply the contracted amount of power to the off-taker which may result in imposition of certain penalties on us under the terms of the relevant Power Purchase Agreements. Furthermore, if construction of power projects in India, particularly in the states and regions that we operate in, outpaces transmission capacity of power grids, we may not be in a position to transmit, or have dispatched, all of our potential electricity to the power grid and therefore may be dependent on the construction and upgrading of grid infrastructure by government or public entities for increased capacity. The curtailment of our power projects' output levels will reduce our electricity output and limit operational efficiencies without compensation, which in turn could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. Further, any damage caused due to natural calamities such as, thunder storm or torrential rains or earthquake or flood, to the assets which are utilised for accessing interconnection facilities and transmission systems, could also impact our operations, financial condition and cash flows.

Although the GoI has accorded renewable energy "must-run" status (which means that any renewable power that is generated must always be accepted by the grid), under the Indian Electricity Grid Code promulgated by CERC, power producers and government entities are required to undertake planned generation and drawing of power in order to maintain the safety of the power grid. For more details, please see the section entitled "*Regulations and Policies*" on page 306. In some cases, this may result in a curtailment of our ability to transmit electricity into the power grid, which may have an adverse effect on our financial condition and results of operations. Additionally, in some cases, there is also deemed generation of power in accordance with the provisions of the Power Purchase Agreements.

7. ***Counterparties to our Power Purchase Agreements may not fulfil their obligations which could result in a material adverse impact on our business, prospects, financial condition, results of operations and cash flows.***

In India, the distribution of electricity is controlled by central agencies and state utilities and therefore there is a concentrated pool of potential buyers for grid connected, utility scale electricity generated by our Projects, which may restrict our ability to find new off-takers or counterparties for the electricity generated by our Projects. If, for any reason, any of our off-takers or counterparties under such Power Purchase Agreements become unable or unwilling to fulfil their contractual obligations under the relevant Power Purchase Agreement or if they refuse to accept delivery of contracted power pursuant to the relevant Power Purchase Agreement, or otherwise terminate such agreements prior to the expiration thereof, our business, financial condition, results of operations and prospects may be adversely affected as we may not be able to find other purchasers for such contracted capacities or replace the Power Purchase Agreement on equivalent terms and conditions. For further details, please see the section entitled "*Industry Overview*" on page 151.

There may also be delays associated with collection of receivables from Government-owned or controlled entities due to the financial condition of these entities. For the financial year 2022-2023, BREPL and NSPL collected ₹ 241.35 million and ₹ 577.56 million amount of receivables from Government-owned entities. All the Power Purchase Agreements entered by the Initial Portfolio Assets are with central or state off-takers, the state as well as the central Government have recently implemented various remedial measures to improve the liquidity, financial condition and viability of state electricity distribution utility companies, there can be no assurance that our off-takers will have the resources to pay on time or at all. Furthermore, to the extent any of our off-takers are, or are controlled by, governmental entities, bringing actions against them to enforce their contractual obligations is often difficult. Further, our Projects or our counterparties may be subject to legislative or other political action that may impair their contractual performance.

If such events occur, our assets, liabilities, business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected. For further details, please see the section entitled "*Legal and Other Information*" on page 322.

While we are entitled to charge interest for any delay in payments, the delay in recovering (or refusal to pay) the amounts (including interest) due under these offtake arrangements could adversely affect our operational cash flows. In addition, external events, such as an economic downturn, could impair the ability of some customers under our Power Purchase Agreements to pay for electricity received. Certain of our customers may also become subject to insolvency or liquidation proceedings during the term of the relevant Power Purchase Agreements, and such proceedings may negatively impact the payments received from such customers. Additionally, there has been an instance of one of our customers, being, DMRC who claimed certain amounts due to the occurrence of force majeure events under the Power Purchase Agreement, during COVID-19.

Bringing action against our customers to enforce their contractual obligations is often difficult and there can be no assurance that if we initiate any legal proceedings against any such entities, we will receive a judgment in our favor or on a timely basis. A failure by any of our customers to meet their contractual commitments, or an insolvency or liquidation of any of our customers, could have an adverse effect on our financial condition and results of operations. For further details, please see the section entitled “*Legal and Other Information*” on page 322.

8. *Our business is dependent on the regulatory and policy environment affecting the renewable energy sector in India, including relationships with, various government entities in India and could be affected if there are adverse changes in such policies or relationships.*

The operations of the Projects and any future projects that the Trust may acquire, are and will be significantly dependent on various central and state government entities, in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the renewable energy industry, as well as the terms of the contractual arrangements and other incentives available from these government entities for the projects.

The regulatory and policy environment in which we operate is evolving and subject to regular change. For instance, the Government has laid significant thrust on climate change for which it provided a framework, National Action Plan on Climatic Change (“*NAPCC*”) in 2008, where it proposed an eight pronged strategy which is National Solar Mission, energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture and strategic knowledge on climate change. The MoP has made it mandatory for DISCOMS to issue letter of credit or provide payments upfront before purchase of power and a letter of credit mechanism was implemented from August 2019. However, on account of its limited success, the payment security mechanism has been proposed in the draft Electricity Act Amendment Bill, 2020 to ensure strict compliance across states. Further, the Central Government has released the draft Renewable Energy Act in July 2015 to address various issues limiting the growth potential of renewable energy sector. The Renewable Energy Act, 2015 is in the consultation stage and would be proposed in the parliament once other amendments and legislations including the Electricity Act, 2003 to facilitate the implementation of the Act are also identified and implemented. Given these amendments are yet to be passed by the legislature, it is uncertain whether such benefits will be available to us. Further, any unfavourable changes to the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 may have a negative impact on our revenue and results of operations.

Our business and operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2016, environmental and labour laws and other legislations enacted by the GoI and the relevant state governments in India. Our business and financial performance could be adversely affected by any unfavourable changes in or interpretations of existing laws, or the promulgation of new laws. There can be no assurance that the GoI or any state government in India will not implement new regulations and policies which will require us to obtain additional approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on their operations, which could result in increased compliance costs as well as divert significant management time and other resources. For more details in relation to laws currently in force in India, which are applicable to our business and operation, please see the section entitled “*Regulations and Policies*” on page 306. Any such changes and the related uncertainties in applicability, interpretation or implementation of any laws, rules and regulations to which we are subject may have a material adverse effect on our business, financial condition and results of operations.

Further, we depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The GoI and several of the states in which we operate or plan to operate or into which we sell power provide incentives that support the generation and sale of renewable energy. As per the CRISIL Report, regulatory policies in each state in India currently provide a conducive framework for securing attractive returns on capital invested. If any of these incentives or policies are adversely amended, eliminated or not extended beyond their current expiration dates, or if funding for these incentives is reduced, or if governmental support of renewable energy development, particularly solar energy, is discontinued or reduced, it could have an adverse effect on our ability to obtain financing, affect the viability of new renewable energy projects constructed based on current tariff and cost assumptions or impact the profitability of our existing projects. The GoI has accorded renewable energy “must-run” status, which means that any renewable power that is generated must always be accepted by the grid. However, certain state electricity boards may order the curtailment of renewable energy generation despite this status and there have been instances of such orders citing grid safety and stability issues being introduced in the past. This may occur as a result of the state electricity boards purchasing cheaper power from other sources or transmission congestion owing to a mismatch between generation

and transmission capacities. There can be no assurance that the GoI will continue to maintain the “must-run” status for renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. Additionally, in the event, the GoI imposes any restriction on usage of water as a part of any regulatory policy, our business and results of operations may be adversely affected.

We benefit from a number of government and other incentives in relation to renewable power generation. Some of the key incentives that certain Initial Portfolio Assets benefit from include:

- certain benefits under the Clean Development Mechanism (as under Article 12 of Kyoto Protocol);
- income tax benefits through accelerated depreciation tax exemption for ten years under section 80IA of the ITA;
- availability of accelerated depreciation for solar power assets;
- incentives in relation to stamp duty;
- spending with respect to capital expenditure; and
- single window clearance for approvals.

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

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

In addition, the projects in which government entities participate may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since government entities are the off-takers for the Projects, the Projects are directly and significantly dependent on their support. Any withdrawal of support or adverse changes in their policies may lead to the agreements being renegotiated and could also adversely affect the financing, capital expenditure, revenues, development or operations relating to the Projects.

9. ***We are subject to credit and performance risk from third parties such as goods and equipment suppliers and O&M contractors.***

The Initial Portfolio Assets have, in the past entered into, and will enter into contracts with third party providers for the supply of equipment, materials and other goods and services for the installation, operation and maintenance of the Projects as well as for other business operations. The warranties specified in the relevant agreements are provided by the suppliers for a limited period of time, which may not be sufficient to cover all the expenses and losses. Further, while the operation and maintenance of the Initial Portfolio Assets will be the responsibility of the Project Manager, it is proposed that the Project Manager shall sub-contract the O&M services of the Initial Portfolio Assets to a third-party vendor or Mahindra Teqo Private Limited (“**Teqo**”), who is the current O&M contractor of the Initial Portfolio Assets (Teqo is also a part of the Mahindra Group). Further, in accordance with the Project Implementation and Management Agreement, in the event of acquisition of any asset by the Trust, a right of first offer in relation to the O&M services to be provided to such assets shall be provided by the Project Manager to Teqo for a period, as specified in the definitive terms of the relevant agreements, provided that in respect of any asset acquired by the Trust from any entity other than the MSPL Sponsor, such right of first offer shall be provided only when the existing O&M contract executed by such acquired asset is terminated with cause or on account of expiry of such contract. Accordingly, we remain subject to the risk that the third-party vendor or Teqo may not perform its obligations or may not comply with the specified quality standards and technical specifications and we have limited control over the timing or quality of services, equipment or supplies provided by the third party contractor.

Our O&M contractor may fail to plan their operational strategy for a specific period for a given project, which could potentially create problems such as an inability to service solar modules over a specific period, or failure to maintain the required site infrastructure or adequate resources at project sites. Further, even in the event that our O&M contractor has planned their operational strategy for a specific period of a given project, they may not be able to execute such a plan. If our O&M services are not performed adequately, our Projects may experience decreased performance, reduced useful life or if the performance of the O&M contractor is not as per the safety standards, then there could be serious injuries and fatal accidents at the worksite, which could also result in shut downs, any of which may adversely affect our operational performance, financial condition and results of operations.

In such an event, we may have to enter into new contracts with other vendors at a higher cost or may suffer schedule disruptions. If our third party provider is not able to perform their obligations to provide O&M services, including due to bankruptcy, winding up or any injunction, we may incur additional costs in finding a replacement service provider or experience significant delays. In the event that the third-party provider enters bankruptcy or winds up its operations, we may experience difficulties in finding alternative contractors.

Our O&M agreements are generally subject to liquidated damages for failure to achieve timely completion or performance shortfalls. The liability of the O&M contractor, including liquidated damages, is generally limited to a specified amount or a percentage of the contract price or the annual fees payable. As a consequence, we may not be able to recover the full amount of losses that we may suffer due to any failure on the part of a contractor or supplier.

Any disruption in our business relationships with our third-party contractors may also result in delays or disruption of their services to us, which may adversely affect our results of operations.

10. ***Operational and technical interruptions may reduce energy production below our expectations and repairing any failure could require us to expend significant amounts of capital and other resources.***

Our Projects may not continue to perform as they have in the past or as they are expected due to risks of equipment failure due to, amongst other things, local conditions, wear and tear, latent defect, design error or operator error, or early obsolescence, force majeure events, which could have a material adverse effect on our assets, liabilities, business, prospects, financial condition, results of operations and cash flows. Our facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, and any decreased operational or management performance, could reduce our facilities' generating capacity below expected levels and reduce our revenues as a result of generating and selling less power. In the event that solar modules are damaged, obtaining replacement solar modules may also require significant sourcing lead time and sources for such replacements may be located outside of India. If we were to experience a shortage of, or inability to acquire, critical spare parts or replacement solar modules or any other equipment, we could incur significant delays in returning facilities to full operation. Degradation of the performance of our facilities above levels provided for in the relevant Power Purchase Agreements may also reduce our revenues. Unanticipated capital expenditures associated with maintaining, upgrading or repairing our facilities may also reduce profitability, especially because our tariffs are fixed in the Power Purchase Agreements and we may not pass through any unexpected costs in relation to the projects to our off-takers or counterparties. In the past, we have experienced operational interruptions due to diesel generator fault, cooling fan abnormalities, string failures, fuse failures and inverter tripping. For further details, please refer to the section entitled "Our Business" on page 215.

Further, any mechanical failure or shutdown of equipment sourced from third parties could result in undamaged equipment that is dependent on or interacts with damaged sections of our facilities, including any transmission facilities, also having to be shut down. Such events could have a material and adverse impact on our generating capacity. If any shutdowns continue for extended periods, this may give rise to contractual penalties or liabilities, losses incurred from off-takers or counterparties and damage to our reputation. Although we are entitled to be compensated by certain manufacturers for certain equipment failures and defects in certain cases, these arrangements may not fully compensate us for the damage and loss suffered as a result thereof. Even if manufacturing defects are covered under our warranty agreements, we may have to bear the costs of repairing the equipment for any damages not foreseeably covered under our supply agreements which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

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

Some of the equipment used by the Initial Portfolio Assets at the Projects have pre-determined useful lives such as in case of batteries, inverters, cables and UPS devices and the Initial Portfolio Assets are required to repair or refurbish such equipment at periodical intervals. These obligations may be undertaken by the O&M contractor pursuant to the O&M agreement. There can be no assurance that such replacement or refurbishment will be undertaken in a timely or efficient manner by such O&M contractor. Further, any increased costs to the Initial Portfolio Assets as a result of any replacement or refurbishment may affect the profit margins of the Initial Portfolio Assets and adversely affect their cash flows.

11. ***We are subject to certain operational cost overruns which may adversely affect our business, prospects, financial condition, results of operations and cash flows.***

A key driver of our profitability is our ability to manage costs during the terms of our Power Purchase Agreements and to operate our renewable energy projects at optimal levels. While we aim to maintain a competitive cost of operations,

increases in our cost structure could have a material adverse impact on our financial performance. Examples of such costs include compliance with new conditions imposed during the tenure of the PPA including property taxes and the increased cost of procuring materials and services required for any unforeseen operations and maintenance activities. Routine and periodic major maintenance costs mainly comprise costs of operating, monitoring and alerting, cleaning, preventive maintenance, corrective maintenance, reporting, management of warranties and spare parts. Our lenders may also have the right to periodically adjust our interest rates and our applicable interest rates may increase based on their review of our credit profile and perceived risks in our operations. Unanticipated increases in the price of materials, fuel costs, labour or other inputs will affect the results of operations of the Initial Portfolio Assets, especially if the wear and tear on the relevant Project requires major work. If we are unable to manage costs effectively or to operate our Projects at optimal levels, our profit margins, and therefore our business and results of operations, may be adversely affected. Further, in the event of an increase in operating costs or equipment costs, or increased costs as a result of changes in applicable laws, we may or may not be able to pass these cost increases on to our customers. Therefore, the prices at which we supply power may have little or no relationship with the costs incurred in generating power. The Initial Portfolio Assets ability to absorb increases in the purchase price of materials, fuel and other inputs is limited. Further, our operational costs may also increase substantially, if the O&M contractor fail to perform its duties as per the O&M agreements and fails to indemnify the Initial Portfolio Assets from the losses arising out of such breach of its obligations under the O&M agreements.

In addition, our operational projects may not meet our return expectations due to cost overruns or revenue shortfalls or they may not generate the capacity that we anticipate or generate revenue in the originally anticipated period or at all. An inability to maintain our portfolio or to convert acquired projects into financially successful operational projects could have an adverse effect on business, prospects, financial condition, results of operations and cash flows.

12. ***Our Power Purchase Agreements have a fixed term and may be terminated by our counterparties upon the occurrence of certain events.***

The Power Purchase Agreements for our Projects are fixed-term agreements, i.e., a term of 25 years either from the COD or SCOD of the relevant project and typically allow the off-taker to terminate the agreement upon the occurrence of certain events, including the failure to:

- comply with prescribed minimum shareholding requirements;
- complete the project construction or connect to the transmission grid by a certain date;
- supply the minimum amount of power specified;
- comply with prescribed operation and maintenance requirements;
- obtain regulatory approvals and licenses;
- comply with technical parameters set forth in grid codes and regulations; and
- comply with other material terms of the relevant Power Purchase Agreement.

As a result, we cannot provide any assurance that Power Purchase Agreements containing such provisions will not be terminated. Moreover, there can be no assurance that, in the event of termination of a Power Purchase Agreement, we will not be exposed to additional legal liability or be able to enter into a replacement Power Purchase Agreement. Any replacement Power Purchase Agreement may be on terms less favourable to us than the Power Purchase Agreement that was terminated.

In the event a Power Purchase Agreement for one or more Projects is terminated under such provisions, on the occurrence of certain events, and if the relevant Power Purchase Agreement is not replaced on similar terms, our results of operations and financial condition may be adversely affected. In the few cases where we are entitled to receive termination payments from a counterparty on termination of a Power Purchase Agreement, there can be no assurance that such counterparty will make such termination payments on time or at all. Further, it is unlikely that any such termination payment will be adequate to pay all the outstanding third party debt that we have incurred for the relevant Project.

Certain of our Power Purchase Agreements allow our lenders, on the occurrence of certain events, to replace the Initial Portfolio Asset as operator of the Project by a party of their preference. If such a substitution occurs and we are unable to locate and acquire suitable replacement projects in a timely fashion, our business, financial condition and results of operations may be materially and adversely affected. Additionally, there can be no assurance that our off-takers will not suspend or cease payment for or purchase of electricity under our Power Purchase Agreements. The failure to enter into or renew offtake arrangements in a timely manner or at all and on terms (including at prices that permit operation of a related facility on a profitable basis) that are acceptable to us if at all, could materially and adversely affect our business, financial condition, results of operations and prospects.

Further, the Power Purchase Agreements provide for a fixed term, subject to some variations and extension as permitted under the agreements or as may be granted by the off-takers. There is no assurance that off-takers will grant any extensions in the future. The off-takers may also re-negotiate the existing terms of the Power Purchase Agreements. In addition, there can be no assurance that the Trust will be able to successfully acquire new assets to replenish its portfolio once the term of the existing Power Purchase Agreements is completed.

13. ***We face competition from conventional and other renewable energy producers.***

Our primary competitors include domestic and foreign conventional and renewable energy project developers, IPPs and utilities. We compete with renewable energy project developers in India on the basis of a number of differentiating factors in the industry, including site selection, access to vendors, efficiency and reliability in project operation, auction bid terms and financing terms to develop and construct projects. We also compete with other conventional and renewable energy companies in India for a limited pool of personnel with requisite industry knowledge and experience, equipment supplies, permits and land to develop new projects. Our operational projects may compete on price if we sell electricity into power markets at wholesale market prices. We may have to compete with other conventional energy and renewable energy generators when we negotiate or renegotiate a long-term Power Purchase Agreement.

Some of our competitors may have greater financial, marketing, personnel and other resources than we do and may be in a position to acquire renewable energy projects by paying a significant premium or otherwise seek to grow their business more aggressively. A reduction in demand for energy from renewable energy sources or our failure to successfully acquire new renewable energy projects may have an adverse effect on our business and financial condition. Furthermore, technological progress in conventional forms of electricity generation or the discovery of large new deposits of conventional fuels could reduce the cost of electricity generated from those sources or make them more environmentally friendly, and as a consequence reduce the demand for electricity from renewable energy sources or render our Projects uncompetitive.

Further, certain of our competitors may also grow through corporate re-organisations or alliances with other competitors. Any growth in the scale of our competitors may result in the establishment of advanced in-house engineering, EPC, and O&M capabilities, which may offset any current advantage we may have over them. Moreover, any merger of our suppliers or contractors with any of our competitors may limit our choices of suppliers or contractors and reduce our overall project execution capabilities. In addition, our competitors may have better financial resources and more localised business presence. Increased competition may result in price reductions, reduced margins and a loss of our market share, any of which may adversely affect our business, financial condition and prospects.

14. ***Changes in technology may render our current technologies obsolete or require us to make substantial capital investments. Failure to respond to current and future technological changes in an effective and timely manner may adversely affect our business and results of operations.***

Although the Initial Portfolio Assets attempt to maintain the latest international technology standards, the technology requirements for businesses in the solar energy sectors are subject to continuing change and development. Some of our existing technologies and processes in the solar energy business may become obsolete or perform less efficiently compared to newer and better technologies and processes.

The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and may adversely affect our results of operations if we are unable to pass on such costs to our customers or recover such costs from revenue. Failure to respond to current and future technological changes in an effective and timely manner may adversely affect our business and results of operations.

15. ***We cannot assure you that we will be able to successfully undertake future acquisitions of renewable energy projects or efficiently manage the renewable energy projects we have acquired or may acquire in the future***

Our growth strategy in the future involves strategic acquisitions of renewable energy projects. Such acquisitions depend on various investment criteria such as the nature of the source of the energy, credit profile of the seller, size of the portfolio (in terms of installed capacity), operating history of the project, validity of the Power Purchase Agreements and tariff rates. We may not be able to conclude appropriate or viable acquisitions in a timely manner or at all. The success of our past acquisitions and any future acquisitions will depend upon several factors, including:

- our ability to finance and acquire renewable energy projects on a cost-effective basis;
- our ability to integrate acquired personnel, operations, products and technologies into our organisation effectively;
- unanticipated problems or legal liabilities of the acquired businesses;
- any limitations on account of environmental social governance considerations; and
- tax or accounting or legal or contractual issues relating to the acquired businesses.

We cannot assure you that we will be able to achieve the strategic purpose of such acquisitions or operational integration or an acceptable return on such investments, which may adversely affect our profits, financial condition and distributions. The integration and consolidation of acquisitions requires substantial human, financial and other resources and may divert management's attention from our existing business concerns, disrupt our ongoing business or otherwise fail to be successfully integrated.

Further, as on date of this Draft Placement Memorandum, our business and operations are restricted to solar power projects, however, we may acquire certain other forms of renewable energy projects in the future. We may not successfully be able to undertake future acquisitions due to lack of previous experience, cost-effectiveness and entering into arrangements for transmission of such energy. Further, Power Purchase Agreements for future renewable energy projects may also contain terms and conditions that are more restrictive than those under the current Initial Portfolio Assets' Power Purchase Agreements.

Any future acquisitions or investments may require significant capital and may expose us to potential risks, including risks associated with failure to identify material problems during due diligence, undisclosed disputes, non-compliance with applicable laws, incurring additional debt, risks that acquired properties will not achieve anticipated profitability and an inability of the project to generate sufficient potential revenue in the future to offset the costs and expenses of the acquisition. These restrictions may restrict our flexibility in managing our business or projects and could in turn adversely affect our business prospects, financial condition and results of operations. Further, we are required to maintain certain investment ratios in accordance with the InvIT Regulations, including, requirement under Regulation 18(4) of the InvIT Regulations under which, not less than 80% of the value of our assets should be eligible infrastructure projects. Compliance with these requirements may restrict us from acquiring additional assets in the future. There can be no assurance that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilised to acquire them or maintain them. As a result, the consummation of acquisitions may have an adverse effect on our ability to execute our growth strategy, business, financial condition, results of operations and cash flows and ability to make distributions to our Unitholders.

16. ***Restrictions on solar equipment imports may increase our business costs.***

Certain equipment such as solar module panels, are imported. Any restrictions, either from the central or state/provincial governments, or from any other authorised bilateral or multilateral organisations or because of sanctions, on such imports may adversely affect our business, results of operations and prospects. Further, there is a possibility that, as in certain countries, additional duties may be imposed in India on the equipment we import. For example, in January 2018, the United States imposed higher duties, starting at 30.00% and declining to 15.00% over the next four years, on imported solar module panels and cells. Further, the levy of safeguard duty on solar imports and levy of basic customs duty on modules in the last few years, by the GoI. We cannot assure that there will not be any new action by the relevant authorities imposing anti-dumping or other import duties or similar tariffs. Any such imposition will result in an increase in our input costs for our solar business, and, if the consequent increased costs cannot be passed on to off-takers, our margins will correspondingly decrease.

17. ***The Initial Portfolio Assets' financing agreements entail interest at variable rates, and any increases in interest rates may adversely affect our results of operations, financial condition and cash flows. Further, the Initial Portfolio Assets are subject to restrictive covenants under their financing agreements that could limit our flexibility in managing our business or to use cash or other assets.***

We expect that certain financing arrangements of the Initial Portfolio Assets will remain in place for a certain period of time after the allotment of the Units. Please see the sections entitled "Use of Proceeds" and "Financial Indebtedness and Deferred Payments" on pages 258 and 261 for details. Our financing arrangements contain restrictive covenants which require us to obtain prior consent from the lenders of the Initial Portfolio Assets for, inter alia, the transfer of the equity shares of the Initial Portfolio Assets to the Trust, which will be obtained prior to the filing of the Placement Memorandum. These financing agreements entail interest at variable rates with a provision for the periodic reset of interest rates. Under the Initial Portfolio Assets' financing agreements, the lenders may be entitled to change the applicable rate of interest on any date and accordingly, the Initial Portfolio Assets are susceptible to changes in interest rates and the risks arising therefrom. Any increase in interest rates may have an adverse effect on our results of operations, financial condition and cash flows. Further, the Initial Portfolio Assets may have an obligation in relation to obtaining and maintaining credit risk ratings from accredited credit rating agencies. Any event of default may be triggered in case if there is any downgrade or failure to provide such credit rating reports at regular intervals.

Further, the financing agreements entered into by the Initial Portfolio Assets with certain banks and financial institutions contain certain restrictive covenants and cross default provisions. The financing agreements restrict the Initial Portfolio Assets from, amongst other things, (i) incurring any indebtedness without prior approval of the lenders, other than indebtedness specifically permitted pursuant to the documents executed in connection with the facility from the lenders; (ii) make any capital expenditure or acquiring fixed assets without prior consent of the lenders; and (iii) effecting changes in its ownership without prior approval of the lenders. In addition, these restrictive covenants may also affect some of the Trust's rights as the shareholder of the relevant Initial Portfolio Asset and the Initial Portfolio Asset's ability to pay dividends if it is in breach of its obligations under the applicable financing agreement. These may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations and financial condition. In the event of any breach of any covenant contained in these financing agreements, apart from other consequences, the lender or security trustee may enforce the security under the financing agreements which may adversely affect our business, financial condition and results of operations. We may also be required to immediately repay our borrowings either in whole or in part, together with any related costs.

In addition, our ability to meet the debt service obligations and repay the outstanding borrowings of the Initial Portfolio Assets will depend primarily on the cash generated by our business. We cannot assure you that we will generate sufficient cash to service existing or proposed borrowings or fund other liquidity needs, which could have an adverse effect on our business, cash flows and results of operations. We may be required to refinance our outstanding borrowings in the future. There is no assurance that we will be able to obtain such financing, on favorable terms, or at all, which may have a material adverse effect on our business, financial condition and results of operations.

For further details in relation to the financing arrangements entered into by the Initial Portfolio Assets, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

18. ***The Initial Portfolio Assets, the Sponsors, the Project Manager, the Investment Manager, and their respective Associates and the Trustee and the Sponsor Group are involved in certain legal and other proceedings, which may not be decided in their favour.***

The Initial Portfolio Assets, the Sponsors, the Project Manager, the Investment Manager and their respective Associates, the Trustee and the Sponsor Group are or may, from time to time, be involved in certain legal proceedings, including in relation to criminal matters, tax matters, civil and arbitration proceedings, which are or may be pending at different levels of adjudication before various courts, tribunals and appellate authorities. There is no assurance that these legal proceedings and regulatory matters will be decided in favour of the respective entities. Unfavourable outcomes or developments relating to these proceedings may have a material, adverse effect on our or their respective business, prospects, financial condition, cash flows and results of operations. Any losses, damages, costs and expenses suffered by the Trust arising from such proceedings besides any reputational damages or any other consequences thereof could have a material and adverse impact on our business, prospects, results of operations, cash flows and financial condition. In addition, arbitration and litigation proceedings in India can be time consuming and the parties may have to incur considerable costs and devote considerable resources towards defending the outstanding legal proceedings. For details of certain material outstanding legal proceedings and regulatory proceedings, please see the section entitled “*Legal and Other Information*” on page 322.

19. ***An inability to obtain, renew or maintain the required statutory and regulatory permits and approvals or to comply with the applicable laws may have an adverse effect on the business of the Initial Portfolio Assets.***

The Initial Portfolio Assets require certain approvals, licenses, registrations and permissions under regulations, guidelines, circulars and statutes regulated by the Indian regulatory and government authorities to be obtained at various stages and by a number of parties. There can be no assurance that the relevant authorities will issue these approvals or licenses, or renewals thereof, in a timely matter, or at all. In addition, the Initial Portfolio Assets are required to comply with a wide variety of Indian laws and regulations. There can be no assurance that the Initial Portfolio Assets are in compliance with such laws and regulations or as requested by the regulatory authorities, have obtained all necessary approvals or that they will continue to obtain the necessary approvals or have been and will continue to be in compliance with all applicable laws and regulations. In the event of any failure to obtain or renew the approvals or if there is a delay in the obtaining of such approvals, the business and financial condition of the Initial Portfolio Assets could be adversely affected. Further, these permits, licenses and approvals could be subject to several conditions, and the Trust cannot assure investors that the Initial Portfolio Assets have complied with all such conditions and will be able to continuously meet such conditions or be able to prove compliance with such conditions to the authorities. Any non-compliance may lead to cancellation, enhancement of cost of operations, revocation or suspension of relevant permits, licenses or approvals, which may result in the interruption of the operations of the Initial Portfolio Assets and may adversely affect the business, financial condition and results of operations of the Initial Portfolio Assets. For further details, please see the section entitled “*Regulatory Approvals*” on page 315.

20. ***The land utilized by ASPL Project is a leasehold property. Our business depends on securing rights to sites suitable for our Projects.***

The land utilized for ASPL Project is not owned by us and is located on land owned by a third party. In such cases, we enter into arrangements for leasing these properties and we may be subject to conditions under the lease agreements through which we acquire rights to use such land. MRPL has entered into a land use permission agreements dated April 17, 2017 and September 24, 2019 with Rewa Ultra Mega Solar Limited (“RUMSL”) and Commissioner, New and Renewable Energy, Bhopal, in relation to the Rewa Project, through which MRPL acquired the right to possess and use the land for development of the Rewa Project. The consideration for the land use permission in this case is paid by RUMSL. Further, BREPL has received certain show cause notices dated December 28, 2022, January 25, 2023 and February 2, 2023 which were issued by the Government of Andhra Pradesh, Water Resource Department to BREPL in relation to evacuation of land (on which BREPL Project is situated) due to non-compliance with certain regulatory requirements. In relation to these show cause notices, BREPL shared a response letter dated April 8, 2023 with the Government of Andhra Pradesh, Water Resource Department stating that the BREPL Project was implemented upon obtaining approvals from the relevant state authorities. For further details in relation to the Projects, please refer to the section entitled “*Our Business – Brief description of the Projects*” on page 228. These conditions include, among others, restrictions on land use, continual operating requirements, and other obligations which include obtaining requisite

approvals, payment of necessary statutory charges and giving preference to local workers for construction and maintenance. We are also exposed to the risk that this lease will not be extended or will be terminated by the relevant lessee. From time to time, we have faced interruptions on account of such third party land owners who obstruct construction or operation of such facilities.

Further, land title in India may be uncertain and as a result, potential disputes or claims regarding title to the land on which the Projects are situated may arise. Any defects in, or irregularities of, title or leasehold rights that we shall enjoy may prejudice Initial Portfolio Assets' ability to operate the solar power projects without interference from third party claims. For further details in relation to such disputes related to the Initial Portfolio Assets, please see the section entitled "*Legal and Other Information*" on page 322.

21. ***Our results of operations could be adversely affected by strikes, work stoppages or increased wage demands by our employees or any other kind of disputes with our employees or other sub-contractors. Further, the Initial Portfolio Assets may be held liable for the payment of wages to the contract labourers engaged indirectly in the operations of the Trust***

We may experience disruptions in our operations due to disputes or other problems with our workforce, and efforts by our employees to modify compensation and other terms of employment may divert management's attention and increase operating expenses. In the event of any strikes or work stoppages by employees of the Initial Portfolio Assets itself, or the O&M contractor or other sub-contractors due to increased wage demands or the inability of the Initial Portfolio Assets, or the O&M contractor or other sub-contractors to either retain or recruit employees and sub-contractors with suitable credentials, the ability of the Initial Portfolio Assets to maintain and operate the Projects will be adversely affected. In addition, any disruption to the services provided by the employees of the Initial Portfolio Assets, the O&M contractor or other sub-contractors will have an adverse effect on the operations of the Initial Portfolio Assets.

The Initial Portfolio Assets or the Project Manager or the O&M contractor may appoint independent contractors who, in turn, engage on-site contract labour to perform certain operations. Some of the Initial Portfolio Assets have obtained the relevant registrations under the Contract Labour (Regulation and Abolition) Act, 1970 (the "**Contract Labour Act**") for certain locations where workmen are employed through contractors or agencies licensed under the Contract Labour Act. There is no assurance that the relevant Initial Portfolio Assets or the Project Manager or O&M contractor will renew such licences in a timely manner or at all. Although the Initial Portfolio Assets do not engage the labourers directly, in the event of default by any independent contractor, the relevant Initial Portfolio Assets may be held responsible for any wage payments and other statutory benefits due to the labourers of such contractor or its contractor. Any violation of the provisions of the Contract Labour Act by an Initial Portfolio Asset may result in penalties pursuant to the provisions of the Contract Labour Act or any other applicable law. If any of the Initial Portfolio Assets are required to pay the wages of contracted workmen and subjected to other penalties under the Contract Labour Act, the reputation, results of operations, cash flows and financial condition of the Trust could be adversely affected.

There can be no assurance that future disruptions will not be experienced due to disputes or other problems with the work force, which may adversely affect the business and results of operations of the Initial Portfolio Assets. For further details, please see the section entitled "*Our Business*" on page 215.

22. ***Systems failures, cyber security breaches and attacks and resulting interruptions in the operation of our Project could adversely affect our business, financial condition, cash flows and results of operations.***

The proper functioning of our technology infrastructure is essential to the conduct of our business. Our technological systems may experience service interruptions or other performance problems because of, amongst other, hardware and software defects or malfunctions, unexpected high volume of transactions, cyberattacks and cyber-security breaches, infrastructure changes, human error, natural disasters, power losses, disruptions in telecommunications services, unauthorized access, fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, computer viruses, ransomware, malware, or other events. For instance, the servers of our Goyalri Project suffered a malware attack in calendar year 2023 and the operations of our NSPL Project were interrupted due to nuisance created by certain farmers at our Project site. In some instances, we may not be able to identify the cause of these performance problems within a reasonable period of time. Further, as techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us, we may be unable to anticipate, or implement adequate measures to protect against, these attacks.

Our insurance coverage may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events and we may need to expend significant financial and development resources to analyze, correct, or eliminate errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects, or vulnerabilities or recover data could adversely affect our business, financial condition, cash flows and results of operations. There is no assurance that we will be able to successfully claim such insurance coverage.

23. ***Our operations are subject to environmental, health and safety laws and regulations. Failure to comply with and changes in, safety, health and environmental laws and regulations in India may adversely affect the business, prospects, financial condition and results of operations of the Initial Portfolio Assets.***

The Initial Portfolio Assets are required to adhere to various environmental, health and safety laws and regulations and various labour, workplace and related laws and regulations in India. For details, please see the section entitled “*Regulations and Policies*” on page 306. If any of the Initial Portfolio Assets fail to meet environmental, health or safety requirements, they may also be subject to administrative, civil and criminal proceedings by government authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against the Initial Portfolio Assets as well as orders that could limit or halt the operations of the Initial Portfolio Assets. Further, considerable time, effort and resources may be expended in contending such proceedings. The Trust cannot assure investors that the Initial Portfolio Assets have been and will continue to be in compliance with all environmental, health and safety and labour laws and regulations.

The employees and contractors on our various solar projects are exposed to risks. If safety procedures are not followed or if certain materials used in power substations and transmission equipment is improperly handled, it could lead to injuries to employees and/or loss of life of employees, contract laborers or other persons, damage our properties and properties of others or harm the environment. Due to the nature of these materials, we may be liable for certain costs, including costs for health-related claims, or removal or treatment of hazardous substances, including claims and litigation from or relating to current or former employees for injuries arising from occupational exposure to materials or other hazards at power substations and transmission facilities. This could result in significant disruption in our businesses and legal and regulatory actions, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows and adversely affect our reputation. For example, while at our Goyalri Project site in Rajasthan, carrying smart phones around the meter room is not allowed as per the standard operating procedure, there have been breaches of such standard operating procedures. For instance, a technician in-charge of the availability based tariff meter reading activity carried his smart phone while performing his daily activities, which led to a sudden surge of current due to which the technician suffered fatal burns.

Further, any changes in, or amendments to, these standards or laws and regulations could further regulate the operations of the Projects and could require the Initial Portfolio Assets to incur additional, unanticipated expenses in order to comply with these changed standards. The scope and extent of any new environmental, health and safety regulations, including their effect on the operations of the Projects and the cash flows of the Initial Portfolio Assets, cannot be predicted with certainty or at all. The costs and management time required to comply with these requirements could be significant. The measures taken in order to comply with these new laws and regulations may not be deemed sufficient by government authorities and compliance costs may significantly exceed estimates. Further, the changes may not be feasible to be carried out for a particular project, for instance, extending the area to be left from a forest, canal or highways in relation to a project.

There can be no assurance that the Initial Portfolio Assets will not become involved in future litigation or other proceedings or be held responsible in any such future litigation or proceedings relating to safety, health and environmental matters in the future. Clean-up and remediation costs, as well as damages, payment of fines or other penalties, other liabilities and related litigation, could adversely affect the business, prospects, financial condition and results of operations of the Initial Portfolio Assets.

24. ***If we are unable to maintain an effective system of internal controls and compliances our business and reputation could be adversely affected.***

While we are required to manage regulatory compliance with all relevant statutory and regulatory requirements, there can be no assurance that deficiencies in our internal controls and compliances do not already exist or will not arise, or that we will be able to implement, and continue to maintain, adequate measures to rectify or mitigate any such deficiencies in our internal controls, in a timely manner or at all. For example, there have been various instances of delay in relation to signing of minutes of the meetings of the board of directors of our Initial Portfolio Assets and filing of certain statutory forms and other similar secretarial matters.

Insufficiently stamped agreements would be inadmissible as evidence in any legal action, until the deficient amount of stamp duty together with penalties, if any, is paid. Any deficiently stamped documents can also be impounded by any person having authority, by law or consent, to receive evidence or every person who is in-charge of a public office. Such persons impounding the deficiently stamped documents can either levy the appropriate stamp duty and penalty or send them to revenue authorities for that purpose. In addition, a person who signs an instrument chargeable with stamp duty will be subject to a fine if such instrument is not duly stamped.

As we continue to grow, there can be no assurance that there will be no instances of inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

25. ***The insurance coverage for the Projects may not protect the Initial Portfolio Assets from all forms of losses and liabilities associated with their businesses***

Our operations are subject to a number of risks for the maintenance of the Initial Portfolio Assets. Our Initial Portfolio Assets are exposed to various risks and are accordingly covered under various insurance policies covering risks including, risks in relation to fire and special perils, terrorism, certain imports, burglary, public liability act, various, machinery breakdown and any accidental physical loss and destruction or damage to the insured property due to a cause, other than as excluded in the insurance policies. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment (including infrastructure developed by us) and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. While our insurance policies cover such risks, they are subject to exclusions based on certain circumstances including, among others, collapse or cracking of buildings, larceny, acts of fraud, coastal or river erosion, willful negligence, war, invasion, damage caused by nuclear weapons material or ionizing radiation or contamination by radioactivity from any nuclear fuel or nuclear waste, any loss, damage, cost or expense of whatsoever nature directly or indirectly caused by, resulting from or in connection with any act of terrorism. For further details, please see the section entitled “*Our Business*” on page 215.

However, there can be no assurance that all risks are adequately insured against or that the Initial Portfolio Assets will be able to procure adequate insurance coverage at commercially reasonable rates in the future. In addition, not all of the above risks may be insurable on commercially reasonable terms, or at all. In addition, these insurance policies are subject to annual review by insurers, and there can be no assurance that they will be renewed on similar or otherwise acceptable terms, if at all. To the extent that the Initial Portfolio Assets suffer any damage or loss which is not covered by insurance, or exceeds the insurance coverage, the loss would have to be borne by the Initial Portfolio Assets. The proceeds of any insurance claim may also be insufficient to cover rebuilding costs as a result of inflation, changes in regulations regarding infrastructure projects, environmental and other factors. There is no assurance that the insurance claims raised by the Initial Portfolio Assets will be appropriately honoured by the relevant insurers. The resulting costs could have an adverse effect on the Trust’s business, prospects, financial condition or results of operations and no assurance can be given that losses in excess of insurance proceeds will not occur in the future.

26. ***Our actual results may be materially different from the expectations expressed or implied in the Projections and the assumptions in the section entitled “Projections of Revenue and Operating Cash Flow” of this Draft Placement Memorandum are inherently uncertain and are subject to significant business, economic, financial, regulatory, environmental and competitive risks and uncertainties that could cause actual results to differ materially from the forward-looking statements in this Draft Placement Memorandum.***

This Draft Placement Memorandum contains forward-looking statements regarding, among other things, the projections of revenue and operating cash flow for the next three years, i.e. for the financial year ended 2024, 2025 and 2026, for the Trust, as set out in the section entitled “*Projections of Revenue from Operations and Operating Cash Flow*” at Annexure B. The Projections are only estimates of possible future operating results and are not guarantees of future performance. The Projections are based on a variety of estimates and assumptions, and are inherently subject to significant business, economic, competitive, industry, regulatory, market, environmental and financial risks, uncertainties, contingency and other factors, many of which are beyond our control.

Such risks, uncertainties, contingencies and other factors may cause the actual results or performance of the Trust to be materially different from any future results or performance expressed or implied by the Projections. There can be no assurance that the Trust will achieve the Projections or make the planned/expected distributions set out in the section entitled “*Projections of Revenue from Operations and Operating Cash Flow*” at Annexure B.

If we do not achieve the projected operating results, we may not be able to make the expected distributions. We will not, and disclaim any obligation to, furnish updated business plans or projections to the Unitholders, or to otherwise make public such information. As a result, you should not rely upon the Projections in making an investment decision given the possibility that actual results may differ materially from the underlying estimates and assumptions. For further details, see the section titled “*Projections of Revenue from Operations and Operating Cash Flow*” at Annexure B. The Investment Manager does not intend to provide any updated or otherwise revised profit and cash flow forecast or profit and cash flow projection in the event that any assumptions differ from actual results.

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

S. Sundararaman is the registered valuer who has undertaken an independent appraisal of the Initial Portfolio Assets as of March 31, 2023, as per the provisions of the InvIT Regulations. The Valuation Report, included in Annexure C to this Draft Placement Memorandum, which sets out their opinion as to the fair enterprise value of the Initial Portfolio Assets and is based on assumptions which have inherent limitations and involves known and unknown risks and uncertainties.

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, express or implied, as to the value of the Units or the financial condition of the Trust. The Valuation Report does not purport to contain all the information that may be necessary or desirable to fully evaluate the Trust or the Initial Portfolio Assets or an investment in the Trust or the Units. The Valuation Report 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 Trust, the Trustee, the Investment Manager, the Sponsors, the Selling Unitholder, the Placement Agents or the Project Manager. Further, we cannot assure you that the valuation prepared by the Valuer reflects the true value of the net future cash flows 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 Trust, the Trustee, the Investment Manager, the Sponsors, the Placement Agents or the Project Manager or any other party that any person should take any action based on the Valuation Report.

28. ***The accuracy of statistical and other information with respect to the renewable energy sector in the Technical Report commissioned by the Investment Manager and the Industry Report commissioned by the MSPL Sponsor for the Initial Portfolio Assets contained in this Draft Placement Memorandum cannot be guaranteed.***

The information in the section entitled ‘*Industry Overview*’ on page 151 and in certain other sections in this Draft Placement Memorandum is based on the report titled “*CRISIL Market Intelligence & Analytics’ – Renewable power market in India released in Mumbai, India*”, dated September, 2023, prepared by CRISIL. The MSPL Sponsor commissioned this report for the purpose of inclusion of industry information in this Draft Placement Memorandum. Neither we, the Trustee, the Sponsors, the Placement Agents to the Offer, the Investment Manager, the Project Manager nor any other person connected with the Offer has verified the information in the report. Further, the report has been prepared based on information as of specific dates and may no longer be current or reflect current trends.

Statistical and other information in this Draft Placement Memorandum relating to India, the Indian economy or the renewable energy sector have been derived from various government publications, research reports from reputable institutions and communications with various Indian government agencies that are believed to be reliable. However, there can be no guarantee as to the quality or reliability of such information. Further, the Technical Report and the Industry Report reflect current expectations and views regarding future events, and contain forecasts, projections and other forward-looking statements that relate to future events. The future events referred to in the Technical Report and the Industry Report are subject to risks, uncertainties and factors such as gross domestic product growth and per capita income changes.

Further, the Technical Consultant has prepared the Technical Report concerning the Initial Portfolio Assets which are contained in this Draft Placement Memorandum. The Investment Manager has commissioned the Technical Report for the purposes of conducting an assessment of the Initial Portfolio Assets. While reasonable care has been taken in the reproduction of the information, no assurance can be made as to the accuracy of such facts and statistics, which may not be consistent with other information compiled within or outside India. Due to possibly inconsistent or ineffective collection methods or discrepancies between published information and market practice, the statistics contained in the Technical Report may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that the statistics are stated or compiled on the same basis or with the same degree of accuracy as may be the case with information from elsewhere. Further, the Technical Report have been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the Technical Report based on estimates, projections, forecasts and assumptions may prove to be incorrect. The Technical Report 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 and the Investment Manager. There can be no assurance that the bases, estimates and assumptions adopted by the consultants for the purposes of preparing the Technical Report 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 Report and this Draft Placement Memorandum. The Technical Report is not a recommendation to invest or disinvest in the Initial Portfolio Assets. Prospective investors are advised not to unduly rely on the Technical Report when making their investment decision. For further details in relation to the Technical Report, please refer to the section entitled “*Technical Report*” enclosed at Annexure D.

29. ***The Audited Special Purpose Combined Financial Statements and Projections of Revenue from Operations and Cash Flow from Operating Activities presented in this Draft Placement Memorandum may not be indicative of the future financial condition and results of operations of the Trust.***

The Audited Special Purpose Combined Financial Statements of the Initial Portfolio Assets for Fiscals 2023, 2022 and 2021 constitute a different presentation of information and may not necessarily reflect the consolidated financial position, results of operations or cash flows of the Trust, and nor will they necessarily give an indication of the financial position, results of operations or cash flows of the Trust or the Initial Portfolio Assets in the future.

After the Listing, there may be certain changes to the Trust's cost structure, levels of indebtedness and operations, and these could differ materially from the historical combined cost structure and levels of indebtedness presented in the Audited Special Purpose Combined Financial Statements. For example, there are certain costs, such as the Investment Manager's fee, the Project Manager's fee and other costs relating to the Trust, that will be incurred by the Trust going forward, some of which were not incurred by the Initial Portfolio Assets historically. For details of recurring expenses, please see the section entitled "*Overview of the Trust*" on page 20. These Audited Special Purpose Combined Financial Statements have been prepared considering the underlying historical financial information of the Initial Portfolio Assets and does not use the accounting principle required to be followed as per Ind AS 103 "Business Combination". The Initial Portfolio Assets will be accounted by the Trust as per the requirements of Ind AS 103 "Business Combination" on the actual date of acquisition by the Trust on a future date.

The financial projections contained in this Draft Placement Memorandum 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 Unitholders or that such distributions will be in line with those set out in the *Projections of Revenue from Operations and Cash Flow from Operating Activities*" at Annexure B. 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.

30. ***We may be subject to inflation/deflation and interest rate risks.***

There are no specific provisions in our Power Purchase Agreements protecting us against increases in interest rates or cost of raw materials. Our lenders may have the right to periodically adjust our interest rates and our applicable interest rates may increase based on their review of our credit profile and perceived risks in our operations. Many factors causing such adverse changes are beyond our control and we may not be able to demand matching or any increases in our tariffs except as specified in the relevant Power Purchase Agreements.

31. ***The Trust and the Initial Portfolio Assets have entered into certain related party transactions and expect to continue to enter into related party transactions and there can be no assurance that such transactions will not have an adverse effect on our results of operations and financial condition.***

The Trust has entered and will in the future enter into certain transactions with related parties, including the Sponsors, the Sponsor Group, the Project Manager and the Investment Manager. The Initial Portfolio Assets have also entered into transactions with related parties. For example, the Initial Portfolio Assets have entered into an arrangement with Teqo in relation to the required O&M services of the Initial Portfolio Assets. Such transactions or any future transactions with related parties may potentially involve conflicts of interest and impose certain liabilities on the Trust or the Initial Portfolio Assets. There can be no assurance that previous related party transactions could not have been made on more favourable terms with unrelated parties, and there can be no assurance that such transactions or future transactions, individually or in the aggregate, will not have an adverse effect on our results of operations and financial condition. For detailed information on related party transactions, please see the section entitled "*Related Party Transactions*" on page 295.

32. ***The Trust may not be able to successfully fund future acquisitions of new projects due to the unavailability of equity financing or debt financing on acceptable terms, which could impede the implementation of its acquisition strategy and negatively affect its business.***

The Trust may fund the consideration (in whole or in part) for future acquisitions through the issuance of additional Units. Such issuances may result in the dilution of the interests in the Trust held by existing Unitholders. The Trust 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 at prices that it considers to be in the interests of then-existing Unitholders. As a result of a lack of funding, the Trust may not be able to pursue its 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.

Additionally, the Trust may consider funding the consideration for future acquisitions of new projects through debt financing, however, the Trust may not be able to raise debt at acceptable terms.

Further, in addition to compliance with the provisions of the InvIT Regulations, due to the OTPP Sponsor being a non-resident entity, any future investment by us in holding companies or Initial Portfolio Assets may also be subject to the investment conditions prescribed under the extant foreign exchange regulations for investment in the infrastructure sector. For example, any downstream or other investments made by us are subject to conditions under the extant foreign exchange regulations for investment in the infrastructure sector, both in terms of investments and divestments.

33. ***We may face difficulties if we expand our operations into new areas of businesses in which we may have limited or no prior operating experience***

Our capacity for continued growth depends in part on our ability to expand our operations into, and compete effectively in new areas of business. It may be difficult for us to understand and accurately predict the impact of varying customer preferences and assess the financial impact of operating in new lines of businesses that we may enter into in the future. In addition, the market for each such line of business may have unique regulatory dynamics of its own that are not common to other areas or lines of business that we may seek to enter. These include laws and regulations that can directly or indirectly affect our ability to set up and operate existing projects in such areas within the renewable sector as well as to analyse the costs associated with, among others, setting up new projects, entering into arrangements for O&M, insurance, support and monitoring such projects. Accordingly, we may face difficulties if we expand our operations into new areas of business which may in turn adversely affect our business, financial condition, and results of operations.

34. ***The use of additional leverage by the Investment Manager and the Trust are subject to risks. Further, the Trust may not be able to successfully fund future acquisitions of new projects due to the unavailability of debt financing, which could impede the implementation of its acquisition strategy and negatively affect its business***

The Trust's total outstanding consolidated net debt after full utilization of the Fresh Issue Proceeds, will be within the regulatory requirement of 49% of the value of the InvIT Assets upon completion of the Offer (net of cash and cash equivalents) upon satisfaction of certain conditions' as specified under the InvIT Regulations. Under the terms of the InvIT Regulations, the consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents, cannot exceed 25% of the value of the assets of the Trust until certain conditions are met, and cannot exceed 49% of the value of the assets of the Trust until, amongst others, the Trust has made six consecutive distributions to Unitholders. If the consolidated borrowings of the Trust exceed 25% of the value of the assets of the Trust, further borrowings, up to 49% of the value of the assets of the Trust, would be subject to: (i) obtaining a credit rating from a credit rating agency registered with SEBI; and (ii) approval of the Unitholders, in accordance with the InvIT Regulations and Trust Deed. There is no assurance that the relevant approvals can be obtained in a timely manner, or at all. The Trust may want to rely on debt to expand its portfolio of projects through acquisitions, which may not be available on favourable terms or at all.

Although the Investment Manager will seek to use leverage in relation to the Trust in a manner it believes is prudent and manage the Trust according to the Investment Objectives, 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 variable, and it is not always possible to obtain or maintain the desired degree of leverage. The use of leverage will also result in interest expense and other costs that will limit distributions made by the Trust or appreciation of its investments. An increase in interest rates may decrease the profitability of the Trust or any of the Initial Portfolio Assets. A leveraged capital structure will increase an Initial Portfolio Assets' 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 an Initial Portfolio Asset 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 Initial Portfolio Asset.

Further, debt financing to fund the acquisition of a project may not be available in accordance with applicable law, or may not be available on acceptable terms or at all. Restrictions imposed by the Reserve Bank of India may limit the Trust's ability to borrow overseas for projects under development and hence could constrain its 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 the Trust without onerous conditions, or at all. In addition to the compliance with the provisions of the InvIT Regulations, due to the OTPP Sponsor being a non-resident entity and the Investment Manager being considered foreign owned and controlled in accordance with the extant regulation, any future debt acquired may also be subject to the investment conditions prescribed under the extant foreign exchange regulations for investment in the infrastructure sector.

Debt financing may increase the Trust's vulnerability to general adverse economic and industry conditions by limiting its flexibility in planning for or reacting to changes in its business and its industry. The Trust will also be subject to the risk that certain covenants in connection with any future borrowings may limit or otherwise adversely affect its operations and its ability to make distributions to its Unitholders. Such covenants may also restrict the Trust's ability to acquire additional projects or undertake other capital expenditure by requiring it to dedicate a substantial portion of its cash flows from operations to interest and principal payments on its debt.

35. ***The Initial Portfolio Assets have experienced losses in previous years and any losses in the future could adversely affect the Trust's business, financial condition and the results of its operations, its ability to make distributions and the trading price of the Units.***

The Initial Portfolio Assets have experienced losses for one or more Fiscals in the last three Fiscals. Under the Companies Act, 2013, companies that do not generate "distributable profits" are not permitted to pay dividends. Accordingly, any Initial Portfolio Asset that fails to generate such distributable profits will not be permitted to pay dividends to the Trust

which will adversely affect the quantum of distributions made by the Initial Portfolio Assets to the Trust. Such change may adversely affect the Trust's ability to make distributions to Unitholders.

36. ***The Trust does not own the trademark "Sustainable Energy Infra Trust" and the associated logo to be used by it for its business and its ability to use the trademark may be impaired.***

The Investment Manager has made an application for the use of the trademark "Sustainable Energy Infra Trust" and the associated logo, which will also be utilised by the Trust. The Investment Manager and the Trust's ability to use the trademark and the associated logo may be impaired if such application is rejected. Consequently, the Investment Manager and the Trust could be required to cease using "Sustainable Energy Infra Trust" and the associated logo, which may have an adverse effect on its operations.

37. ***We have received credit rating from credit rating agency and we cannot assure you that such ratings will be sustained.***

The Trust has been given an issuer rating of "Provisional CRISIL AAA/Stable" by CRISIL Ratings Limited for the proposed long-term bank facility of the Trust, in their credit rating rationale. There is no assurance that CRISIL Ratings Limited will continue to provide a positive credit rating to the Trust or that the agencies will provide a rating without covenants. A negative or lower rating may adversely affect our ability to raise additional financing, and the interest rates and other terms at which such additional financing is available. This in turn could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Risks Related to the Formation and Structure of the Trust and its Relationship with the Parties to the Trust

38. ***The transfer of the Initial Portfolio Assets to the Trust under the Share Purchase Agreements will be consummated only after the Bid/ Offer Closing Date. Our Investment Manager's inability to consummate transactions in relation to these agreements may impact the Offer and the ability to complete the Offer within the anticipated time frame or at all.***

Closing Date, i.e., the transfer of the equity shares of the Initial Portfolio Assets to the Trust under Share Purchase Agreements will only be completed after the Bid/ Offer Closing Date. Our ability to complete the transactions under the Share Purchase Agreements and the debt financing arrangements is subject to certain conditions precedents, including in relation to conversion of certain agricultural land to non-agricultural land, and closing conditions. For further details in relation to the Share Purchase Agreements, see "Related Party Transactions – Acquisition of Initial Portfolio Assets by the Trust" on page 297.

As a part of the Share Purchase Agreements, we will assume existing liabilities of the Initial Portfolio Assets. Although we have conducted due diligence on the Initial Portfolio Assets with the objective of identifying any material existing liabilities, we may not have been able to identify all such liabilities prior to the completion of the Share Purchase Agreements. There can be no assurance that the Initial Portfolio Assets or the Projects will not have defects or deficiencies that are unknown or unquantified and that may require additional capital expenditure or obligations to third parties, including to the relevant regulatory and statutory authorities, which may have an adverse effect on the Trust's earnings and cash flows and the distributions to the Unitholders, upon acquisition. Any losses or liabilities suffered by us in relation to the Initial Portfolio Assets will materially adversely impact our results of operations, profitability, cash flows and our ability to make distributions to the Unitholders. There is no assurance that in the event of any defects or deficiencies in the Initial Portfolio Assets or any losses suffered by us in relation to the Initial Portfolio Assets, we will be able to raise any claim or recover any losses from the MSPL Sponsor or its affiliates or the erstwhile sellers, as applicable, in a timely manner, or at all.

Further, the Initial Portfolio Assets have intimated the counter-parties to their respective Power Purchase Agreements of, amongst others, the transfer of the Initial Portfolio Assets to the Trust. However, there can be no assurance that the counter-parties will not impose any additional conditions in relation to such transfer. Further, the Initial Portfolio Assets have availed certain borrowings from banks and other institutions and have applied to obtain no-objection certificates or lender consents from the lenders for the purposes of transfer of the Initial Portfolio Assets to the Trust, prior to such transfer. If the conditions in the consents are not fulfilled, or in the event of a dispute with the lenders in relation to such debt financing, the Trust may not be able to acquire all of the Initial Portfolio Assets from the MSPL Sponsor which could have an adverse effect on the Trust's business and results of operations. Additionally, the Initial Portfolio Assets may require consents from other third parties (including regulatory authorities) in relation to the transfer. If such consents are not received, the Trust may not be able to acquire all the Initial Portfolio Assets from the MSPL Sponsor which could have an adverse effect on the Trust's business and results of operations.

If the Investment Manager is unable to complete the transactions under the Share Purchase Agreements, the debt financing arrangements or the other transactions in relation to the formation of the Trust, as contemplated herein, our Investment Manager and Sponsors, in consultation with the Placement Agents, and subject to any conditions imposed by SEBI or any other regulatory authority, may decide not to proceed with the Offer or to withdraw or reduce the size of the Offer. Any inability to consummate any or all the transactions in the manner described in this Draft Placement Memorandum may adversely impact our Investment Manager's ability to complete the Offer within the anticipated time frame, or at all.

Further, the Initial Portfolio Assets are proposing to avail certain borrowings from the Trust pursuant to the Offer. We cannot assure that such Initial Portfolio Assets will be able to repay such loan in a timely manner. For further, details please see the section entitled “*Financial Indebtedness and Deferred Payments – Principal terms of the borrowings by the Initial Portfolio Assets from the Trust*” on page 261.

39. ***The lenders of the Initial Portfolio Assets may not release the pledge of equity shares or waive the obligations under non-disposal undertakings of certain Initial Portfolio Assets, that has been created pursuant to loan agreements that have been entered into between the Initial Portfolio Assets and their lenders.***

The equity shares of certain Initial Portfolio Assets are pledged or fall under certain non-disposal undertakings with their lenders as part of the security for borrowings availed by them from their respective lenders. If such security is not released by the lenders in a timely manner after the Bid/ Offer Closing Date, it could have an adverse effect on the ability of the Trust to acquire shareholding in such Initial Portfolio Assets in a timely manner or at all.

40. ***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 eligible infrastructure projects as defined under the InvIT Regulations, such as the Initial Portfolio Assets. In addition, we must not invest more than 20% of the value of our assets in certain financial instruments prescribed under the InvIT Regulations. Such regulations may prevent us from acquiring additional assets to achieve our growth strategy.

If these conditions are not fulfilled or breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year with the Unitholder approval). Failure to comply with these conditions may present additional risks to us, including divestment of some or all of our assets, delisting of our Units from the Stock Exchange and other penalties, which could have a material adverse effect on our business, financial condition and results of operations.

Additionally, if the aggregate consolidated borrowings of the Trust and the Initial Portfolio Assets, net of cash and cash equivalents exceed 25% of the value of the assets of the Trust, for any further borrowings up to 49% of the value of the assets of the Trust, we are required to adhere to specific conditions, such as obtaining a credit rating and seeking Unitholder approval. For any further borrowings beyond 49% of the value of the assets of the Trust, we are required to comply with specific conditions prescribed under the InvIT Regulations, which include amongst others, obtaining a credit rating of “AAA” or equivalent from a credit rating agency registered with SEBI, 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 Initial Portfolio Assets cannot exceed 70% of the value of the assets of the Trust.

41. ***Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsors, the Sponsor Group, 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 are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. These eligibility conditions include, among other things, that (a) the Sponsors, Investment Manager and Trustee are separate entities, (b) each Sponsor has a net worth of not less than ₹ 1,000 million and the Sponsor or its associate 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’ of experience in fund management or advisory services or development in the infrastructure sector or the combined experience of the directors, partners and employees of the investment manager, each with at least five years of experience, in fund management or advisory services or development in the infrastructure sector is not less than 30 years, (d) the investment manager has not less than two employees who have at least five years of experience each, in fund management or advisory service or development in infrastructure sector; (e) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an associate of the Sponsors or Investment Manager, and (f) each of the Trust, the Sponsors, the Sponsor Group, Investment Manager, Project Manager and Trustee are “fit and proper persons” as defined under Schedule II of the Intermediaries Regulations on an ongoing basis. Any non-compliance by the Sponsors, the Investment Manager, the Project Manager and the Trustee, may result in the cancellation of the registration of the Trust.

42. ***We are governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 (“SCRA”), the implementation and interpretation of which, is evolving. The evolving regulatory framework governing infrastructure investment trusts in India may impact 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.***

SEBI issued the InvIT Regulations with effect from September 26, 2014, which have been periodically amended and supplemented with additional guidelines, notifications and circulars. Recently, SEBI has issued amendments to the InvIT Regulations dated August 16, 2023 and the Master Circular for Infrastructure Investment Trusts dated July 6, 2023. As the regulatory framework governing InvITs in India comprises of 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. We cannot assure you that there will not be changes to the regulatory requirements applicable to the Trust and its Unitholders due to any future consultation papers released by SEBI.

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

Furthermore, SEBI has the right to, with or without prior notice, order inspection of the books of accounts, records and other documents pertaining to our operations, either on its own or, upon receipt of complaint. Upon review of the inspection report, SEBI is entitled to, if it so deems appropriate (in the interest of the securities markets or our investors) (a) require us to surrender our certificate of registration; (b) wind-up our operations; (c) sell our assets; (d) cease our operations or restrict our ability to access the capital markets for a specified period; or (e) direct us to not do such things as SEBI may deem appropriate in the interest of our investors. Any such occurrence may have a material adverse effect on our business, result of operations, financial conditions and cash flows.

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. 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 render it economically unviable to continue conducting business as an InvIT or have a material, adverse effect on our business, financial condition and results of operations.

As we will be operating in a regulatory framework with uncertainties, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations, including new interpretations by courts or regulators of existing regulations or from stricter enforcement practices by regulatory authorities of existing regulations will affect infrastructure investment trusts and this could have any consequential impact on the infrastructure sector in India. There can be no assurance 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. We may incur increased costs and other burdens relating to compliance with such new regulations, which may also require significant time and other resources, and any failure to comply with these changes may adversely affect our business, results of operations and prospects. Failure to comply with changes in laws, regulations and standards may have a material adverse effect on our business, financial condition, results of operations and prospects.

43. ***The Sponsors, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust, and under the InvIT Regulations, they have the ability to divest their entire holdings in the Units three years following the Offer.***

After the completion of the Offer, i.e. on a post- Offer basis, the MSPL Sponsor (who is also the Selling Unitholder) will own an aggregate of not less than 15% of the issued and outstanding Units and will be entitled to vote as a Unitholder on all matters other than matters where it is a related party and not permitted to vote under the InvIT Regulations. Although the Investment Manager will have a board of directors which will have at least 50% independent directors, the Sponsors may nonetheless be in a position to exercise significant influence in matters which require the approval of the Unitholders by virtue of their ownership of Units in the Trust. The interests of the Sponsors may be different from those of the other Unitholders. The Investment Manager and Project Manager may also be subject to conflicts of interest with respect to the Trust.

In addition, currently under the InvIT Regulations, the Sponsors and Sponsor Group will be able to divest their holding in the Units subject to the perpetual lock-in requirements set out in the InvIT Regulations. Given the influence that the Sponsors may exert on the Investment Manager and the Project Manager, and consequently the operations and credibility of the Trust, any material divestiture by the Sponsors in the Units, or any conflict of interest that it has compared to that of other Unitholders, could have a material adverse impact on our business, financial condition and results of operations.

44. ***The Investment Manager has limited experience in investment management activities for an InvIT and the Investment Manager may not be able to implement our investment or corporate strategies.***

The Investment Manager's strategies focus on three main areas:

- managing the underlying assets of the Trust;
- managing the Trust's acquisitions and disposals; and
- managing the Trust's capital structure to ensure adequate and regular distributions.

The Investment Manager is a newly incorporated entity, incorporated on April 26, 2023, and does not have any operational history of similar investment management or other activities in the renewable energy sector or otherwise. Past performance of other investments managed or advised by the key personnel of the Investment Manager cannot be relied upon as an indicator of our future performance. There is no assurance that the Investment Manager will be able to implement these strategies successfully or that it will be able to expand our portfolio at any specified rate or to any specified size or to maintain distributions at projected levels.

The results of the operations of the Trust will depend on many factors, including but not limited to, its ability to operate and manage the Projects efficiently, changes in the regulatory framework, competition for assets or macro-economic conditions. These factors will, in turn, affect the availability of further opportunities for the acquisition of assets and the availability of finance to achieve leverage. The Trust will be relying on external sources of funding to expand its asset portfolio, which may not be available on favourable terms, or at all and the Investment Manager may not be able to make acquisitions or investments on favourable terms or within a desired time frame, and it may not be able to manage the operations of its underlying assets in a profitable manner. Even if the Trust is able to successfully acquire additional assets, portfolio growth and expansion could place significant demands on the management and administrative resources of the Investment Manager and the capital resources of the Trust and there can be no assurance that the Trust will be able to efficiently manage such assets and achieve its intended return on such acquisitions.

Additionally, there exists the risk that the management fees payable to the Investment Manager may not create proper incentives or may induce the Investment Manager to make certain investments, including speculative investments that increase the risk of the Initial Portfolio Assets.

Further, the Investment Manager will also rely on the Sponsors and Sponsor Group to comply with their obligations under the various agreements with us including the Share Purchase Agreements. In addition, the Investment Manager expects to rely on the expertise of the Sponsors in developing and managing renewable energy projects in case of any additional work which we may be required to carry out for any of the Initial Portfolio Assets or other assets. If the Investment Manager is unable to implement these investment strategies successfully or expand our portfolio, we will nonetheless be required to pay the management fee, in accordance with the terms of appointment of the Investment Manager as stipulated in the Investment Management Agreement.

The Investment Manager may delegate certain functions to third parties, subject to the InvIT Regulations and the Investment Management Agreement. Should the Investment Manager, or any third party to whom such functions are delegated, fail to perform its services, the value of our assets might be adversely affected, which could adversely affect our business, results of operations and financial condition.

Even if the Investment Manager is able to successfully grow the operating business of the underlying assets and other eligible renewable energy projects in India as desired, there can be no assurance that the Investment Manager will achieve its intended return on such acquisitions and/ or capital investments. Furthermore, the Investment Manager's investment mandate may involve a higher level of risk as compared to a portfolio which has a more diverse range of investments.

45. ***The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. We cannot assure you that the Investment Manager will be able to comply with such requirements.***

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust in accordance with the InvIT Regulations. These requirements include, among other things, (a) making investment decisions with respect to the underlying assets or projects of 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, and (e) ensuring the audit of the Trust's accounts. Non-compliance with such requirements in a timely manner or at all, could subject the Investment Manager, the other Parties to the Trust, the Trust or any person involved in the activity of the Trust to applicable penalties under the InvIT Regulations, and/or the SEBI Act or other applicable law. Under the InvIT Regulations, the SEBI also has the right to inspect documents, accounts and records relating to the activity of the Trust, Initial Portfolio Assets or parties to the InvIT and may issue directions in the nature of, *inter alia*, (i) requiring the Trust to delist its Units and surrender its certificate of registration; (ii) requiring the Trust to wind-up; (iii) requiring the Trust to sell its assets; (iv) requiring the Trust or Parties to the Trust to take such action as may be in the interest of investors; or (v) prohibiting the Trust or Parties to the Trust from operating in the capital market or from accessing the

capital market for a specified period. Any such failure to comply or the imposition of any penalty could have a material adverse effect on our business, financial condition and results of operations.

46. ***Unitholders would not be able to participate in the election or removal of directors in the Investment Manager and will be able to remove the Investment Manager and Trustee only pursuant to a majority resolution.***

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.

Further, Unitholders would not be able to participate in the nomination, election or removal of directors in the Investment Manager. The recourse available to the Unitholders' is the removal of the Investment Manager by way of a resolution where Unitholders holding at least 60% of the Units must vote in favour of the resolution. In comparison, the Companies Act, 2013 allows the removal of a director of a private limited company by way of an ordinary resolution.

Similarly, Unitholders may remove the Trustee only if they believe that the acts of the Trustee are detrimental to the interests of the Unitholders and by way of a resolution where the votes cast in favour of the resolution must meet the required percentage as set out in the InvIT Regulations. Further, the Investment Manager and the Trustee cannot be discharged until a suitable replacement is appointed in their place, and there can be no guarantees that a suitable replacement will be appointed, or that appointment will take place in a timely manner, or at all.

Accordingly, as opposed to shareholders removing a director of a private limited company, it may not be possible for Unitholders to remove directors of the Investment Manager or the Trustee.

47. ***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, Project Manager or the Trustee fail to perform satisfactorily. Our rights and the rights of the Unitholders to recover claims against them are limited.***

The success of our business and growth strategy and the operational success of our assets will depend significantly upon the Investment Managers' and Project Manager's satisfactory performance of such 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. As the Project Manager is not a captive company of the Trust and the Project Manager may fail to dedicate appropriate and adequate resources to us/ the Initial Portfolio Assets at all times, which may affect their operations and performance. Presently, the Project Manager has a negative net-worth, which may affect its operations.

Pursuant to the Trust Deed, the Trustee is not liable for anything done or omitted to be done or suffered by the Trustee in good faith and in accordance with, or in pursuance of any request or advice of the Investment Manager. Further, the Trustee is not liable for any action or omission that results in any depletion in the value of the trust fund and consequent losses of the Unitholder, except in situations where such depletion is a result of the 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. In terms of the Trust Deed, the liability of the Trustee includes (a), in the event of any fraud, gross negligence, dishonest acts of commissions or omissions or wilful default on the part of the Trustee, where the Trustee fails to exercise due care in relation to its obligations under the Trust Deed, or disregard of duty or breach of duties under the Trust Deed or applicable law by the Trustee, or (b) any failure on the part of the Trustee to protect the interests of the Unitholders.

Under the Investment Management Agreement, 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 depletion of the InvIT Assets 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, as determined by a court of competent jurisdiction. The Investment Management Agreement and the Trust Deed further provide that the Investment Manager is entitled to be indemnified by the Trustee against any direct and actual claims, actions, losses, damages, liabilities, suits, proceedings and reasonable costs and expenses including legal fees ("Losses") incurred in connection with the Trust, unless arising out of fraud, gross negligence, dishonest acts of commissions or omissions or wilful default on the part of the Investment Manager or disregard of duty or breach of duties under the Investment Management Agreement or the applicable law. 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 a 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 a final non-appealable order of a court of competent jurisdiction. As a result, the Trust's rights and the rights of the Unitholders to recover claims against the Investment Manager are limited.

Accordingly, the liability of the Investment Manager, Project Manager and the Trustee are limited under the terms of these agreements and the Unitholders may not be able to recover claims against the Trustee, the Project Manager or the Investment Manager, including claims with respect to any offer documents relating to the Offer. Further, pursuant to the Trust Deed, the Trustee is not under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceeding or claim, which in its opinion might involve it in expense or liability that exceeds the value of the fund. The Trust (acting through the Trustee) and the Investment Manager intend to apply the proceeds of the Fresh Issue towards the objects set out in this Draft Placement Memorandum. Accordingly, the Fresh Issue Proceeds may not be sufficient to recover claims, including claims with respect to any offer documents in relation to the Offer.

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.

48. ***Conflicts of interest may arise out of common business objectives shared by the Investment Manager, the Sponsors, the Project Manager and us.***

We have and will continue to rely on the resources of the MSPL Sponsor including with respect to renewable energy, infrastructure, technical capabilities and human resources. We may compete with existing and future private and public investment vehicles established and/or managed by the Sponsors, which may present various conflicts of interest. Certain of these divisions and entities have or may have an investment strategy similar to our investment strategy and therefore may compete with us. Conflicts of interest may arise in allocating or addressing business opportunities and strategies amongst the Sponsors, the Investment Manager, the Project Manager, and us, in circumstances where our interests differ from theirs.

In addition, the Trustee and/or Unitholders may not be aware of any such conflict, and even if made so aware, the Trustee and the Unitholders' ability to recover claims against the Investment Manager are limited. Moreover, the Investment Manager's liability is limited under the Investment Management Agreement and the Trustee has agreed to indemnify the Investment Manager out of our assets against certain liabilities. As a result, we could experience poor performance or losses for which the Investment Manager would not be liable.

Other present and future activities of the Sponsors, the Investment Manager and the Trustee may also give rise to additional conflicts of interest relating to us and our investment activities. In the event that any such conflict of interest arises, we will attempt to resolve such conflicts in a fair and reasonable manner; however, investors should be aware that conflicts will not necessarily be resolved in favour of our interests.

49. ***Our success depends in large part upon certain directors, executive officers and key employees of 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 certain directors, executive officers, 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. Furthermore, the Investment Manager and Project Manager may not be able to adequately re-deploy and re-train 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 of the Trust.

50. ***As a proposed shareholder of the Initial 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 the Initial Portfolio Assets.***

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

which our assets are disposed of, there is no assurance that a Unitholder will recover all or any part of its investment. There may also be uncertainty around the interpretation and implementation of certain provisions in relation to insolvency of a trust under the Insolvency and Bankruptcy Code, 2016.

51. ***The Trust may be unable to dispose-off its non-performing assets in a timely manner.***

Due to the nature of its structure, the Trust may be unable to dispose off its non-performing assets or under-performing assets in a timely manner, or at all. For example, under the InvIT Regulations, any asset acquired by the Trust is required to be held for a period of at least three years from the date of acquisition. As a result, no assurance can be given that the Trust may be able to adapt to market developments, changes in asset quality, or adverse macroeconomic factors in a way comparable to, or competitive with, its competitors (whether InvITs or public/ private companies). Any ability to dispose off non-performing assets may in turn adversely affect the financial condition, business and prospects of the Trust, as well as distributions to the Unitholders.

Risks Related to Ownership of the Units

52. ***We do not provide any assurance or guarantee of any distributions to the Unitholders. Further, the level of distributions may fall.***

The Trust's distributions will be based on the cash flows generated from the operations to be undertaken by the underlying Initial Portfolio Assets held by the Trust and not on whether the Trust makes an accounting profit or loss. The InvIT Regulations provide that not less than 90% of net distributable cash flows of each Initial Portfolio Asset are required to be distributed to the Trust in proportion of the Trust's holding in the Initial Portfolio Assets subject to applicable provisions of the Companies Act, 2013. Not less than 90% of distributable cash flows of the Trust shall be distributed to the Unitholders. Under the InvIT Regulations, such distributions are required to be declared and made not less than once in every year and shall be made not later than fifteen days from the date of such declaration. For more details, see the section headed "*Distribution*" on page 270 of this Draft Placement Memorandum.

The Trust will also rely on the receipt of interest, dividends, and principal repayments (net of applicable taxes and expenses) from each Initial Portfolio Asset in order to make distributions to the Unitholders. There is no assurance that the Trust will be able to make distributions to the Unitholders or that distributions will be consistent across various periods. Further, the income earned by each of the Initial Portfolio Asset may be affected by a number of factors including, among other things:

- the business and financial position of the Initial Portfolio Assets;
- amount of income generated and the level of operating and other expenses incurred as a result of escalation in commodity prices and labour costs;
- ability of the Initial Portfolio Assets to borrow funds and access debt capital markets;
- applicable laws and regulations, which may restrict the payment of distributions by the Initial Portfolio Assets;
- fluctuations in the working capital needs of the Initial Portfolio Assets;
- 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; and
- the terms of agreements, including the Power Purchase Agreements, project agreements or financing agreements, to which the Initial Portfolio Assets are, or may become, a party (such as cash sweep provisions).

The distributions from the Initial Portfolio Assets to the Trust may also be subject to the requirement of creation of certain necessary reserves as set out in the Distribution Policy of the Trust. For more details, see the section headed "*Distribution*" on page 270 of this Draft Placement Memorandum.

Further, the methodology of computation of the net distributable cash flows may change subsequently due to regulatory changes which can impact the amount of cash flows available for distribution. 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 or rights in new assets 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.

In addition, the financing agreements entered into by any of the Initial Portfolio Assets with banks, financial institutions or accessed through the debt capital markets may typically contain certain restrictive covenants, including, but not limited to, requirements that they obtain consent from the lenders prior to making any payments to the Trust. Any failure to obtain such consents in a timely manner or at all would impede our ability to make distributions to the Unitholders on a regular basis or at all, which could materially and adversely affect the market price of the Units. Additionally, following a default under our financing agreements if and when entered into, lenders may take coercive actions as per the rights available to them under applicable law, which may restrict our ability to conduct business and operations.

53. ***Distributions may be adversely impacted due to cash trapped in the Initial Portfolio Assets.***

Under the Companies Act, 2013, a company can declare dividends only after the mandatory transfer of profits to reserves. Further, amortisation and depreciation are non-cash expenditures and are charged to the profit and loss account. Consequently, a company may have surplus cash but no profit in the profit and loss account and thus will not be able to declare dividends, resulting in cash trapped in the company. In the event that cash is trapped in the Initial Portfolio Assets, the Investment Manager and the Trustee may evaluate various options to extract the cash and make distributions to the Unitholders. There is no assurance that any such options to extract the cash trapped in the Initial Portfolio Assets would not have adverse tax implications or impact our distributions, business and results of operation adversely.

54. ***Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions. Further, 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 affairs of infrastructure investment trusts in India. However, as compared to the statutory and regulatory framework governing companies that have listed their equity shares upon a recognized stock exchanges in India, the regulatory framework applicable to infrastructure investment trusts is relatively nascent and thus, still evolving. Pursuant to a circular dated November 29, 2016, as amended, the SEBI has prescribed certain continuous disclosure requirements that will be applicable to the InvIT after listing.

Accordingly, the ongoing disclosures made to Unitholders under the InvIT Regulations may differ from those made to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India. Further, the rights of the Unitholders may not be as extensive as the rights of the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India, and accordingly, the protection available to the Unitholders may be more limited than those available to such shareholders.

The InvIT Regulations were amended on February 14, 2023 to incorporate certain provisions of the Listing Regulations, along with, *inter-alia*, additional requirements in relation to the governance of InvITs. These governance norms are applicable to all InvITs registered with the SEBI, with effect from April 1, 2023.

Furthermore, the Trust Deed and various provisions of Indian law govern our corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, fiduciary duties and liabilities, and Unitholders' rights may differ from those that would apply to a company in India or a trust in another jurisdiction. Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions. See the section headed "*Rights of Unitholders*" on page 338 of this Draft Placement Memorandum.

55. ***Any additional debt financing or issuance of additional Units may have a material, adverse effect on the Trust's distributions, and your ability to participate in future rights offerings may be limited.***

The Investment Manager, on behalf of the Trust may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions and their unitholding.

We are not required to offer pre-emptive rights to existing Unitholders when issuing new Units. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Units.

56. ***The Unitholders will be unable to redeem the Units. Further, under Indian law, foreign investors are subject to restrictions that limit their ability to transfer or redeem Units, which may adversely impact the value of the Units.***

Unitholders will not have the right to redeem Units or request or require the redemption of Units by the Investment Manager while the Units are listed on the Stock Exchange.

Under foreign exchange regulations currently in force in India, transfers of units between non-residents and residents are permitted, subject to certain exceptions and 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.

Furthermore, in terms of the InvIT Regulations, an infrastructure investment trust may redeem units only by way of a buyback and may be subject to additional conditions and restrictions under Indian regulations.

57. *The Units have never been traded and the listing of the Units on the Stock Exchange may not result in an active or liquid market for the Units.*

There is no market for the Units prior to the Offer and an active market for the Units may not develop or be sustained after the Offer. Moreover, the listing and quotation do not guarantee that a trading market for the Units will develop or, if a market does develop, the liquidity of that market for the Units. As the Units will be sold through a private placement in a Minimum Bid Size, there may be a lack of liquidity and a limited market for the Units. The price of the Units may be volatile, and investors may be unable to resell the Units at or above the Offer Price, or at all. Although it is currently intended that the Units will remain listed on the Stock Exchange, there is no guarantee of the continued listing of the Units. There is no assurance that the Trust will continue to satisfy the listing requirements for InvITs. Further, it may be difficult to assess the Trust's performance against domestic benchmarks. Accordingly, prospective Unitholders should view the Units as illiquid and must be prepared to hold their Units for an indefinite length of time.

58. *Any future issuance of Units by us or sales of Units by the Sponsors or any of other significant Unitholders may materially and adversely affect the trading price of the Units.*

Any future issuance of Units by us could dilute investors' holdings of Units. Any such future issuance of Units may also materially and adversely affect the trading price of the Units, and could impact our ability to raise capital through an offering of our securities. There can be no assurance that we will not issue further Units. In addition, any perception by investors that such issuances might occur could also affect the trading price of the Units.

Units will be tradable on the Stock Exchange. If the Sponsors or Sponsor Group (following the lapse of their lock-up arrangements or in accordance with applicable law), directly or indirectly, sell or pledge or encumber or otherwise dispose or are perceived as intending to sell or pledge or encumber or otherwise dispose a substantial number of Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be materially and adversely affected. These sales may also make it more difficult for us to raise capital through the issue of new units at a time and at a price we deem appropriate.

59. *The price of the Units may decline after Listing.*

The Offer Price will be determined by the Investment Manager and Sponsors in consultation with the Placement Agents. The Offer Price may not be indicative of the market price of the Units upon completion of the Listing. The market price of the Units may also be highly volatile and could be subject to wide fluctuations. 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. The market price of the Units will depend on many factors, including, among others:

- the perceived prospects of our business and investments and the market for renewable energy and other infrastructure projects;
- differences between our actual financial and operating results and those expected by investors and analysts;
- the perceived prospects of renewable energy and other infrastructure projects that may be added to our portfolio in accordance with our investment mandate;
- changes in research 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 business trusts, equity or debt securities;
- the balance of buyers and sellers of the Units;
- the size and liquidity of the Indian business trusts market;
- any changes to the regulatory system, including the tax system, both generally and specifically in relation to India business trusts;
- the ability of the Investment Manager to implement successfully its investment and growth strategies;
- foreign exchange rates;
- broad market fluctuations, including increases in interest rates and weakness of the equity and debt markets;
- variations in our quarterly operating results;
- difficulty in assessing our performance against either domestic or international benchmarks, as there are few listed comparables;
- publication of research reports about us, our affiliates, other renewable energy businesses, the renewable energy industry in general or other relevant sectors, or the failure of securities analysts to cover the Units after the Offer;

- additions or departures of key management personnel of the Investment Manager and/or the Trust Group;
- changes in the amounts of our distributions, if any, and changes in the distribution payment policy or failure to execute the existing distribution policy;
- actions by Unitholders;
- changes in market valuations of similar business entities or companies;
- announcements by us or our competitors of significant contracts, acquisitions, disposals, strategic partnerships, joint ventures or capital commitments;
- speculation in the press or investment community; and
- changes or proposed changes in laws or regulations affecting the renewable energy industry and infrastructure development in India or enforcement of these laws and regulations, or announcements relating to these matters.

Further, movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of and demand for the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

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 our 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.

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

60. *Bidders 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.*

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.

61. *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 the Stock Exchange, 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 Exchange. Accordingly, Unitholders will not be able to sell their Units through trading on the Stock Exchange if the Units are no longer listed on the Stock Exchange. 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 five Unitholders (other than the Sponsors, 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 Exchange, including the compulsory delisting of our Units.

62. *The Trust has a limited number of listed peers undertaking similar lines of business for comparison of performance and therefore investors must rely on their own examination of the Trust for the purposes of investment in the Offer.*

As of the date of this Draft Placement Memorandum, there are a limited number of other infrastructure investment trusts listed on the Indian stock exchanges and, accordingly, the Trust is not in a position to provide a comparative analysis of its performance with many listed InvITs. Investors must rely on their own examination of the Trust for the purposes of investing in the Units.

63. *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 a contributory irrevocable trust registered under the 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 the Trust; (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 the Units of the Trust are delisted from the Stock Exchange; (iv) if the SEBI passes a direction for the winding up of the

Trust or the delisting of the Units; or (v) in the event the Trust becomes illegal. Under the Trust Deed, in the event of dissolution, the net assets of the Trust, remaining after settlement of all liabilities, and the retention of any reserves which the Trustee deems to be necessary to discharge contingent or unforeseen liabilities, shall be paid to the Unitholders. Should the Trust be dissolved, depending on the circumstances and the terms upon which assets of the Trust are disposed of, there is no assurance that a Unitholder will recover all or any part of their investment.

If a default is triggered under the financing documents that the Trust is a party to, the Trustee/ Investment Manager will take steps to cure such default and/or to repay the affected lender by appropriate means, including divesting or liquidating the assets of the Trust or raising additional financing, in accordance with such financing documents and applicable laws. If such default is not cured, and the affected lender initiates proceedings against the Trust, the Trust may be terminated subject to applicable laws. In the event of a termination of the Trust, the net assets which will be paid to the Unitholders will take into account the debt, liabilities and obligations of the Trust. There is no assurance that Unitholders will recover all or any part of their investments.

64. ***Compliance with the European Union Directive on Alternative Investment Fund Managers and the United Kingdom Regulation on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Investment Manager and us.***

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 Units are marketed. The “UK AIFMR” refers to the United Kingdom’s (the “UK”) Alternative Investment Fund Managers Regulations 2013.

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). The Investment Manager is a non-EEA AIFM for the purposes of the AIFMD. Non-EEA AIFMs are currently not able to become authorized 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). These requirements are: (i) “point-of-sale” disclosures (as to which, please see Annex D), (ii) ongoing investor disclosures required pursuant to Articles 23(4) and (5) of the AIFMD (as to which, please see below), (iii) 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 (iv) 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 member states, imposing extensive disclosure obligations on companies located in EEA member states, if any, in which the Trust invests, and potentially the Trust having the disadvantage 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. The European Securities and Markets Authority (“ESMA”) has recently also consulted on the possible extension of the passport for marketing and managing under AIFMD to non-EEA based managers (the marketing and managing passports under AIFMD are currently only available to certain types of EEA based managers).

ESMA provided advice to the European Commission in July 2015 and July 2016 on whether, amongst other things, the passporting regime should be extended to the management and/or marketing of AIFs by non-EEA AIFMs. The European Commission is currently considering whether the passport should be extended. It is currently not clear what the impact would be for the Investment Manager or the Trust of any decision by the European Commission to extend the passporting regime. If the AIFMD national private placement regimes (where implemented) continue to exist in parallel with an extension of the passporting regime, then the Investment Manager may continue to market under AIFMD national private placement regimes or choose to “opt-in” to rely on the passporting regime (which would likely mean an increase in

regulatory and compliance costs to comply with the conditions of the passporting regime). If the AIFMD national private placement regimes are removed, then the Investment Manager would likely need to “opt-in” to the passporting regime for any AIFMD marketing of the Trust (which would likely mean an increase in regulatory and compliance costs for the Trust).

Following the withdrawal of the UK from the European Union and subject to compliance with the UK AIFMR, AIFMs may market AIFs to professional investors who are domiciled or have a registered office within the UK pursuant to the UK national private placement regime. The UK AIFMR currently imposes compliance obligations that are broadly similar to those detailed in the above paragraphs in connection with a non-EEA AIFM marketing an AIF pursuant to the national private placement regimes of certain EEA member states. If within scope of the UK AIFMR, these compliance obligations on an AIFM include, among other things, rules relating to the remuneration of certain personnel, minimum regulatory capital requirements, restrictions on use of leverage, restrictions on early distributions (“asset stripping” rules), the appointment of a depository, disclosure and reporting requirements to both investors and home state regulators, and independent valuation of the assets of an AIF. Where information is provided in response to an own-initiative request by a prospective UK investor, such investor will not benefit from any protections or rights under the UK AIFMR in respect of any resulting subscription for limited partner interests.

Risks related to India

65. ***Our results may be adversely affected by future unforeseen events, such as the outbreak of the Novel Coronavirus (“COVID-19”), or a similar outbreak, 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; however, they could be material.

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 spread of COVID-19 has led to governments around the world taking various restrictive measures design to limit the spread of the virus, such as the implementation of travel restrictions, mandatory cessations of business operations, mandatory quarantines and work-from-home and other alternative working arrangements, curfews, limitations on social and public gatherings and partial lockdowns of cities or regions. The extent to which the COVID-19 outbreak will impact 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.

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.

66. ***Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our business, financial condition and results of operations and ability to make distributions to our Unitholders.***

Our business, financial condition and results of operations could be materially and adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. There can be no assurance that the Government or State Governments will not implement new regulations and policies which will require the Trust to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. The Investment Manager cannot predict the terms of any new policy, and there can be no assurance that such policy will not be onerous. For further details, please see section entitled “Risk Factors – Changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects and results of operations” and “Regulations and Policies” on pages 92 and 306, respectively.

67. ***Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets or any social, economic and political conditions in India could have an adverse effect on our business, results of operations, financial condition and the price of our Units.***

Our Investment Manager and we are registered in India, and the Initial Portfolio Assets and our Investment Manager are located in India. As a result, we are highly dependent on the prevailing economic conditions in India and our results of operations are significantly affected by factors influencing the Indian economy. Factors that may adversely affect the Indian economy, and hence our results of operations, may include:

- any increase in interest rates or inflation in India;
- any exchange rate fluctuations;
- any scarcity of credit or other financing in India;
- prevailing income, consumption and savings conditions among consumers and corporations in India;
- volatility in, and actual or perceived trends in trading activity on, India's principal stock exchanges;
- changes in India's tax, trade, fiscal or monetary policies and which may impact India's foreign exchange reserves;
- civil unrest, riots, protests, acts of violence, terrorist attacks, political instability, terrorism or military conflict in India, including increased tensions on the Indian borders, or in countries in the region or globally, including in India's various neighbouring countries;
- the occurrence of force majeure events under the contractual arrangements of the Initial Portfolio Assets;
- the occurrence of natural or man-made disasters;
- prevailing regional or global economic conditions;
- balance of trade movements, including export demand and movements in key imports, including oil and oil products;
- annual rainfall which affects agricultural production; and
- other significant regulatory, policy or economic developments in or affecting India or its infrastructure sector.

Inflation rates in India have been volatile in recent years, and such volatility may continue. High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase price of transportation, wages, raw materials and other expenses, whether entirely or in part, and may adversely affect our business and financial condition. If we are unable to increase our revenues sufficiently to offset our increased costs due to inflation, it could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

Any slowdown or perceived slowdown in the Indian economy, or in specific sectors of the Indian economy, could have an adverse effect on our business, results of operations, financial condition and the price of our Units.

Furthermore, the Indian economy and Indian financial markets are influenced by economic and market conditions in other countries. Financial turmoil in Asia, Europe, the United States and elsewhere in the world in past years has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have an adverse effect on the securities of entities in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any global financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur and could harm our results of operations and financial condition.

68. ***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, and the relationships amongst India and such countries, including conditions in the United States, Europe, Canada 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 worldwide 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 emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. The imposition of sanctions on Russia have also impacted economic conditions in various parts of the world, including Europe.

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 recent years, tensions have been rising between India and China over a disputed border in the Himalayan region which has led to military clashes.

Legislators and financial regulators in the United States and other jurisdictions, including India, implement a number of policy measures designed to add stability to the financial markets from time to time. However, the overall long-term effect

of such 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 and results of operation.

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. For instance, the geopolitical tension and restrictions in China is a material risk in relation to control and embargoes on photovoltaic modules. This could have a material adverse effect on our business, financial condition and results of operations and reduce the trading price of the Units.

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

India's sovereign rating is Baa3 with a "stable" outlook by Moody's, BBB- with a "stable" outlook by Fitch and BBB- (Stable) by S&P. 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. India's sovereign debt rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange resources, which are outside our control.

70. *We may be exposed to variations in foreign exchange rates. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.*

Our revenues are in Indian rupees, and currently the Initial Portfolio Assets hold certain buyer's credit, which is fully hedged in foreign currency. The Indian rupee has depreciated and appreciated in the recent years. In the future if the Indian rupee continues to depreciate against the U.S. dollar, this will lead to an increase in the Indian rupee cost for us.

Fluctuations in the exchange rates between the Indian Rupee and other currencies will affect the foreign currency equivalent of the Indian Rupee price of the Units. In particular, the Indian Rupee has declined significantly against the U.S. dollar recently. Such fluctuations will also affect the amount that holders of the Units will receive in foreign currency upon conversion of any cash distributions or other distributions paid in Indian Rupees by us on the Units, and any proceeds paid in Indian Rupees from any sale of the Units in the secondary trading market. Further, 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.

71. *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 Audited Special Purpose Combined Financial Statements included in this Draft Placement Memorandum 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 Draft Placement Memorandum to any other principles or to base the information on any other standards. Ind AS differs from other accounting principles with which prospective investors may be familiar in, such as IFRS, Indian GAAP and U.S. 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. Accordingly, the degree to which the Audited Special Purpose Combined Financial Statements included in this Draft Placement Memorandum 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 Draft Placement Memorandum.

72. *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 and the Trustee are limited liability companies incorporated under the laws of the Republic of India, (iii) certain directors and key personnel of the Investment Manager reside in India, and (iv) all of the assets of the Trust, the Initial Portfolio Assets and the Investment Manager are located in India. As a result, it may be difficult to serve process upon the Trust, the Investment Manager, the Trustee 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, 1908. 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.

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.

Furthermore, the OTPP Sponsor is incorporated under the laws of Ontario, Canada and accordingly, the enforcement of civil liabilities by overseas investors in the Units including the ability to effect service of process and to enforce judgments, against the OTPP Sponsor, will be subject to the applicable laws of Canada.

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

The Competition Act, 2002, as amended (the “**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition 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 in a relevant market.

The Competition Act aims to, among other things, prohibit all agreements and transactions which may have an appreciable adverse effect on competition in India. Further, the 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.

In the event, the Initial Portfolio Assets or the Trust enters into any agreements or transactions that have an appreciable adverse effect on competition in the relevant market in India, the provisions of the Competition Act will be applicable. Consents may also be required from the CCI in relation to the Offer and failure to obtain such consents may adversely affect the Offer. Any prohibition or substantial penalties levied under the Competition Act could materially and adversely affect our financial condition and results of operations. Any adverse impact on our financial condition or operations due to the Competition Act may have a material adverse impact on our business, financial condition, results of operations and prospects and our ability to make distributions to the Unitholders.

Risks Related to Tax

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

Tax and other levies imposed by the Government and state governments may include: (i) income tax (including withholding tax and tax collection at source); (ii) wealth tax (which was withdrawn with effect from January 1, 2016); (iii) excise duty; (iv) value added tax/central sales tax/ goods and service tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. In some cases, these taxes and other levies may be changed from year to year and the Indian courts which interpret tax legislation may apply such interpretations with retroactive effect. Also, the Government in certain situations has the authority to change tax laws retrospectively.

The Ministry of Finance, GoI, has set up a panel to review the ITA 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 implications of the report by the Panel, including findings and recommendations in their report and the provisions of the proposed direct tax legislation may have an unfavourable impact 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 cannot be determined at this point in time.

The GoI announced the union budget for the Fiscal Year 2024 and the Finance Act, 2023 (“**Finance Act 2023**”) was notified with effect from April 1, 2023.

The Finance Act 2023, provides for tax on the unitholders for such portion of distribution received by them that is not covered under section 10(23FC) or 10(23FCA) of the ITA and that which is not chargeable to tax under section 115UA(2) of the ITA. Any distribution not covered under the aforementioned clauses will be taxed in the hands of the unitholders as ‘income’ under section 56(2)(xii) of the ITA, provided the amount received (including similar distributions in earlier years to the same unitholder or any other unitholder) is in excess of the amount at which units were issued by the InvIT, as reduced by the amount which would have been charged to tax earlier under this provision. The aforementioned amounts received by a unitholder being a specified person covered under section 10(23FE) of the ITA shall not be subject to taxes upon the fulfilment of certain conditions set out in the ITA. Further, any such distribution received by a unitholder to the extent not chargeable to tax under section 56(2)(xii) and 115UA(2) and not covered under sections 10(23FC) or 10(23FCA) shall be reduced from the cost of units. We cannot assure you that there will be no adverse impact on the tax incidence to the unitholders pursuant to the Finance Act 2023. For details, please see section entitled “*Statement of Possible Tax Benefits*” on page 353.

Further, by way of the Finance Act, 2021 the GoI, amongst others, amended the Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) to recognise pooled investment vehicles and recognise the units, debentures, other marketable securities and other instruments issued by InvITs as “*securities*”. The Finance Act, 2021 exempted the payment of tax deducted at source on dividends paid to InvITs. For further details, please see the sections entitled “*Risk Factors – Investors 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*” and “*Risk Factors – We are governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 (“SCRA”), the implementation and interpretation of which, is evolving. The evolving regulatory framework governing infrastructure investment trusts in India 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*” on pages 95 and 79.

There have been two key 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.

The GAAR regime came into effect on April 1, 2017. The GAAR regime is a broad set of provisions which grant powers to India tax authorities to invalidate any arrangement for tax purposes in the event, the main purpose of entering into the transaction by the taxpayer is to obtain a tax benefit. Besides the “tax benefit”, the transaction should meet any one of the following specified additional tests: (i) creates rights, or obligations, which are not ordinarily created between persons dealing at arm’s length; (ii) results, directly or indirectly, in the misuse, or abuse, of the provisions of the ITA; (iii) lacks commercial substance or is deemed to lack commercial substance as prescribed under the ITA in whole or in part; and (iv) is entered into, or carried out, by means which are, or in a manner which is, not ordinarily employed for bona fide purposes. Such transactions are declared as impermissible avoidance arrangements. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, amongst other consequences, including on the interest paid by the SPVs on the debt from the Trust. 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 Party to the Trust, it may have an adverse effect on the Trust.

The rules notified with respect to GAAR prescribe that these shall not be applicable to FIIs in accordance with the SEBI (Foreign Portfolio Investors) Regulations, 2014 subject to the fulfilment of certain conditions. GAAR may have a material adverse tax impact on the Trust, the Sponsors and the Unitholders.

Further, vide Finance Act, 2022, the applicability of section 94(7) of the ITA has been extended to the units of a business trust (with effect from Financial Year 2022-23), which provides that where:

- (1) any person buys or acquires any securities or unit within a period of three months prior to the record date in relation to the dividend;
- (2) such person sells or transfers such securities within three months after such record date or such units within a period of nine months after such record date; and
- (3) the dividend or income on such securities or unit received or receivable by such person is exempt,

then, the loss, if any, arising from the sale and purchase of securities and units, to the extent of dividend or income received or receivable on such securities or unit, shall be ignored for computing income chargeable to tax.

Vide Finance Act, 2022, the applicability of section 94(8) of the ITA (commonly known as bonus stripping) has been extended to the units of business trusts (with effect from Financial Year 2022-23), which provides that where:

- (i) any person buys or acquires any units within a period of three months prior to the record date;
- (ii) Such person is allotted additional units without any payment on the basis of holding of such units on such record date;
- (iii) Such person sells or transfers all or any of the units within a period of nine months after the record date, while continuing to hold all or any of the additional units referred in clause (ii) above,

then, the loss, if any, arising from the sale and purchase of all or any of the units shall be ignored for computing income chargeable to tax and notwithstanding anything contained in any other provision of the ITA, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such additional units referred to in clause (ii) above as are held on the date of such sale or transfer.

The Investment Manager has not determined the impact of such existing or proposed legislations on our business. We may incur increased costs relating to compliance with any new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects.

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.

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

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 in the jurisdictions in which we operate being significantly higher than expected. For instance, while the Investment Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, there is no assurance that the tax authorities will not take a position that differs from the position taken by us with regard to our tax treatment of various items. Any of the above events may result in a material, adverse effect on our business, financial condition, results of operations and/or prospects and our ability to make distributions to the Unitholders.

However, the tax authorities might take a position that differs from the position taken by us with regard to our tax treatment of various items.

76. *The Initial Portfolio Assets enjoy certain benefits under Section 80-IA of the ITA in relation to the Initial Portfolio Assets and any change in these tax benefits applicable to the Trust may adversely affect its results of operations.*

Under the provisions of section 80-IA of the ITA, the Initial Portfolio Assets are eligible for tax holiday for any 10 consecutive assessment years out of 20 years beginning from the year in which the undertaking or enterprise develops and begins to operate any infrastructure facility. As a result of the tax holiday available to the Initial Portfolio Assets, the taxable profits derived by the Initial Portfolio Assets from developing, operating and maintaining any infrastructure facility will not be taxable under the normal provisions of the ITA during the tax holiday period. Any other taxable income (for example, interest income, profit on sale of mutual funds) from deployment of temporary funds or otherwise would also be taxable under the terms of the ITA. The Initial Portfolio Assets will only be subject to MAT if the Initial Portfolio Assets have a book profit as required to be computed under section 115JB of the ITA. Any change in the tax benefits under

section 80-IA and/or the provisions of MAT may have an impact on the income tax liability of the Initial Portfolio Assets and may consequently affect the amount available for distribution by the Initial Portfolio Assets to the Trust. Furthermore, if the relevant conditions under section 80-IA of the ITA are not met and the manner of computation of profits and gains are not as permitted, the Initial Portfolio Assets will not be able to enjoy the benefits of such tax holiday.

Benefits under section 80-IA of the ITA shall not be available to Initial Portfolio Assets in case they have opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the ITA. Further, in such case, provisions of MAT shall not be applicable.

77. *Investors may be subject to Indian taxes arising out of capital gains on the sale of Units, on any dividend or interest component of any returns from the Units or on certain distributions from the Trust.*

Under current Indian income 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. Further, the applicable taxes on the sale of Units and on any dividend or interest component of any returns from the Unit will also be subject to the category of investor holding or selling the Units.

The Finance Act, 2020 amended the ITA 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 shareholder. 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 ITA. 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 ITA. However, where the special purpose vehicle opts to pay tax under Section 115BAA of the ITA, 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. It may also be noted that in terms of Section 194LBA (1) of the ITA, any distributable income in the nature of interest income and dividend income (where the Initial Portfolio Asset has opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the ITA) in the hands of a resident investor is subject to deduction of tax at the rate of 10%. Similarly, in terms of Section 194LBA (2) of the ITA, any distributable income in the nature of interest income and dividend income (where the SPV has opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the ITA) in the hands of a non-resident is subject to deduction of tax at the rate of 5% (plus applicable surcharge and cess) and 10% (plus applicable surcharge and cess) respectively. The ultimate tax liability in the hands of the Unitholder may depend on various factors/considerations.

Further, the Finance Act, has included a definition of “pooled investment vehicle” which comprises business trusts as defined under the ITA. The ITA defines business trusts as trusts registered with SEBI as an InvIT. This amendment has come into effect from April 1, 2021. The Finance Act recognises units, debentures and other instruments issued by infrastructure investment trusts as “securities” under the Securities Contracts (Regulation) Act, 1956. This 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 and the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015. As announced in previous budgets, the dividend distribution tax applicable on InvITs was abolished and replaced with dividend withholding tax. The Finance Act has also exempted payment of tax deducted at source on dividend paid to InvITs, with effect from April 1, 2020.

The Finance Act, 2023, provides for tax on the unitholders for such portion of distribution received by them that is not covered under section 10(23FC) or 10(23FCA) of the ITA and that which is not chargeable to tax under section 115UA(2) of the ITA. Any distribution not covered under the aforementioned clauses shall be taxed in the hands of the unitholders as ‘income’ under section 56(2)(xii) of the ITA, provided the amount received (including similar distributions in earlier

years to the same unitholder or any other unitholder) is in excess of the amount at which units were issued by the InvIT, as reduced by the amount which would have been charged to tax earlier under this provision. The aforementioned amounts received by a unitholder being a specified person covered under section 10(23FE) of the ITA shall not be subject to taxes upon the fulfilment of certain conditions set out in the ITA. Further, any such distribution received by a unitholder to the extent not chargeable to tax under section 56(2)(xii) and 115UA(2) and not covered under sections 10(23FC or, 10(23FCA) shall be reduced from the cost of units.

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.

78. *The Trust and the Initial Portfolio Assets may be subject to certain tax related risks under the provisions of the IT A.*

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. The equity shares of the Initial Portfolio Assets are proposed to be transferred to the Trust. Under the provisions of section 56(2)(x) of the ITA, 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 ITA 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.

79. *The income of the Trust in relation to which pass through status is not granted under the ITA may be chargeable to Indian taxes.*

Under the provisions of the ITA, the total income of the Trust other than capital gains, interest and dividend income from the Initial Portfolio Assets would be taxable at the maximum marginal rate ("MMR"). MMR is defined under the provisions of the ITA to mean the rate of income-tax (including surcharge on income-tax, if any) applicable in relation to the highest slab of income. In accordance with Section 115UA of the ITA, the MMR applicable to the Trust, a separately assessable resident entity, is 30.0% (plus applicable surcharge and cess). However, the tax authorities may view the Trust as a "pass through" entity and the applicable tax rate will be the MMR applicable to its beneficiaries. If any beneficiary is chargeable to MMR at a rate higher than the rate applicable to other beneficiaries, the income of the Trust attributable to the share of such beneficiary will be taxed at a higher applicable rate. For example, if any Unitholder is a non-resident, the MMR of 40.0% (plus applicable surcharge and cess) would apply. As there are divergent views, there is a possibility that the matter may be litigated if the tax authorities subscribe to the latter view.

GENERAL INFORMATION

The Trust

The Sustainable Energy Infra Trust was set up as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Trust was registered as an infrastructure investment trust under the InvIT Regulations on August 11, 2023, having registration number IN/InvIT/23-24/0027. The principal place of business of Trust is situated at Mahindra Towers, Pandurang Budhkar Marg, Near Doordarshan Kendra, Worli, Mumbai 400 018.

For information on the background of the Trust and the description of the Initial Portfolio Assets, please see the sections entitled “*Overview of the Trust*” and “*Our Business*” on pages 20 and 215, respectively.

Compliance Officer of the Trust

The compliance officer of the Trust (“**Compliance Officer**”) is Devjeet Ghosh. His contact details are as follows:

Devjeet Ghosh

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Mobile: +91 9987685343
E-mail: compliance@seit.co.in

Bidders can contact the Compliance Officer or the Placement Agents in case of any pre-Offer or post-Offer related problems, non-credit of Allotted Units in the respective beneficiary account of Bidders after Allocation or non-receipt of refund orders.

The Sponsors

2726522 Ontario Limited

Registered office and address for correspondence:

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Contact Person of the OTPP Sponsor:

Debapratim Hajara is the contact person of the OTPP Sponsor. His contact details are as follows:

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Mahindra Susten Private Limited

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Contact Person of the MSPL Sponsor:

Avinash Bapat and Mandar Joshi are the contact persons of the MSPL Sponsor. Their contact details are as follows:

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The Investment Manager – Sustainable Energy Infra Investment Managers Private Limited

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Other Parties involved in the Trust

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Contact Person: Nazish Shaikh

Placement Agents to the Offer

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Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Prashant Kolhe / Jigar Jain
SEBI Registration No.: INM000012029

Escrow Collection Bank

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Legal Counsel to the Trust, the Investment Manager, the Selling Unitholder and the Sponsors as to Indian law

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SEBI Registration No.: INR000000221
CIN: L72400TG2017PLC117649

Credit rating

The Trust has been given a rating of (i) “Provisional CRISIL AAA/Stable” by CRISIL Ratings Limited on September 8, 2023 the rationale for which is available at its website, <https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/SustainableEnergyInfraInvestmentManagersPriv>

ateLimited_September%2008,%202023_RR_323987.html. It is clarified that the details available on these websites do not form a part of this Draft Placement Memorandum.

Disclaimer by CRISIL Ratings Limited

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PARTIES TO THE TRUST

The summaries of the key terms of certain material contracts and agreements included in this section are not complete and are subject to, and are qualified in their entirety by reference to, the provisions of the respective material contracts and agreements. Copies of the material contracts and agreements described in this section will be available for inspection at the principal place of business of the Trust. For further details, please see the section entitled “Material Contracts and Documents for Inspection” on page 370.

A. The Sponsors and Sponsor Group

The OTPP Sponsor – 2726522 Ontario Limited

History and Certain Corporate Matters

2726522 Ontario Limited is one of the Sponsors of the Trust. The OTPP Sponsor is a company incorporated under the laws of Ontario, Canada on November 13, 2019.

The OTPP Sponsor’s registered office is situated at 5650 Yonge Street, Toronto, Ontario M2M 4H5, Canada. For further details, please see the section entitled “General Information” on page 97.

Background of the OTPP Sponsor

2726522 Ontario Limited is a 100% subsidiary of Ontario Teachers’ Pension Plan Board. Ontario Teachers’ Pension Plan Board (“OTPPB”), being an associate of the OTPP Sponsor, is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. OTPPB invests in more than 50 countries in a broad array of assets including public and private equities, fixed income, credit, commodities, natural resources, infrastructure, real estate and venture growth to deliver retirement income for 336,000 working members and pensioners.

In 2022, OTPPB opened up its Mumbai office with a view to establish a local presence given its focus on Indian investment opportunities. It has an extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its 30% investment in Mahindra Susten Private Limited (in 2022), its up to US\$175 million investment in KKR’s Indian roads platform (Highway Infrastructure Trust) (in 2022), its role as co-anchor investor in 25% of National Highways Infra Trust (“NHIT”) (2021) and its US\$250m commitment to the National Investment & Infrastructure Fund (“NIIF”) (2019). Given the nature of the Trust as a renewables-centric one, OTPPB also has an experience in global renewable energy transactions including its 50% acquisition of a 2.5GW renewable energy portfolio from NextEra (2021), its ~50% interest in Asia-focused renewable energy platform Equis Development (2020) and its 50% stake in global renewables platform Cubico Sustainable Investments (2015).

India is one of the key focus markets that OTPPB will seek to expand its presence in, especially given its large, growing and dynamic economy coupled with its openness to foreign capital. Beyond infrastructure, OTPPB has also made investments in India in other sectors including Sahyadri Hospitals Group (2022), OTPPB’s first control private equity buyout in India and VerSe Innovations (2022), one of the largest local-language based content platforms in India.

The OTPP Sponsor is eligible to be the sponsor of the Trust in accordance with the InvIT Regulations. In accordance with the eligibility criteria specified under the InvIT Regulations, the OTPP Sponsor through its associate, OTPPB, has more than 5 years of experience in fund management in the infrastructure sector. As on July 15, 2023, the OTPP Sponsor has a net-worth of approximately ₹ 1,103.64 million.

Neither any member of the OTPP Sponsor Group nor any of the promoters or directors of the OTPP Sponsor (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.

Board of Director of the OTPP Sponsor

The board of director of the OTPP Sponsor is entrusted with the overall management of the OTPP Sponsor. Please see below the details in relation to the board of director of the OTPP Sponsor:

Sr. No.	Name	Designation
1.	Bruce Ross Crane	Director

The MSPL Sponsor – Mahindra Susten Private Limited

History and Certain Corporate Matters

The MSPL Sponsor was originally incorporated as “Mahindra EPC Services Private Limited” on September 19, 2010 as a private company under the Companies Act, 1956. Its name was changed to ‘Mahindra Susten Private Limited’ with effect from May 18, 2015. The corporate identification number of the MSPL Sponsor is U74990MH2010PTC207854.

Its registered office is located at Mahindra Towers, Dr. G.M. Bhosale Marg, P.K. Kurne Chowk, Worli, Mumbai 400 018. For further details, please see the section entitled “*General Information*” on page 97.

Background of the MSPL Sponsor

Mahindra Susten Private Limited (“**MSPL Sponsor**”) is one of the largest renewable energy companies in India with 1.5+ GWp of assets (~100% operational). MSPL Sponsor is backed by one of India’s largest groups, Mahindra Group with a minority stake owned by OTPP (net assets of C\$249.8 billion as at June 30, 2023).

MSPL has a portfolio of 1.5+ GWp owned assets and 4.5 GWp of assets executed (developed for independent power producers and third parties) across the globe. The MSPL Sponsor is involved in the design, development, construction, operation and maintenance of renewable energy projects in the states of Rajasthan, Madhya Pradesh, Gujarat, Telangana, Karnataka, Andhra Pradesh, and commercial and industrial projects across various states. The MSPL Sponsor’s team has expertise across the value chain (including project winning and site selection, land acquisition, engineering, procurement and construction, operations and maintenance, asset management, and capital structuring and financing for both equity and debt) ensuring high-quality of projects delivered.

The MSPL Sponsor has a robust internal control system with policies and procedures in place to adhere with environment, health and safety, and all other regulatory requirements. MSPL operates certain projects directly and remaining projects via 100% owned special purpose vehicles or step-down subsidiaries.

The MSPL Sponsor is eligible to be the sponsor of the Trust in accordance with the InvIT regulations. In accordance with the eligibility criteria specified under the InvIT Regulations, the MSPL Sponsor has more than 5 years of experience in development of infrastructure. As on March 31, 2023, the MSPL Sponsor has a net-worth of approximately ₹ 10,271.4 million on a standalone basis.

Neither any member of the MSPL Sponsor Group nor any of the promoters or directors of the MSPL Sponsor (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.

Board of Directors of the MSPL Sponsor

The board of directors of the MSPL Sponsor is entrusted with the overall management of the MSPL Sponsor. Please see below the details in relation to the board of directors of the MSPL Sponsor:

Sr. No.	Name	DIN	Designation
1.	Ramesh Ganesh Iyer	00220759	Chairman and Director
2.	Deepaksingh Chandrasingh Thakur	06939592	Managing Director and Chief Executive Officer
3.	Amit Kumar Sinha	09127387	Director
4.	Anjali Gupta	00781921	Additional Independent Director
5.	Bruce Ross Crane	08403603	Director
6.	Debapratim Hajara	09804007	Director
7.	Diwakar Gupta	01274552	Independent Director
8.	Manoj Bhat	05205447	Director
9.	Puneet Renjhen	09498488	Director

Sponsor Group

The MSPL Sponsor, the OTPP Sponsor, Mahindra & Mahindra, OTPPB and 2452991 Ontario Limited form part of the Sponsor Group. For details in relation to the Sponsor Group, please see the section entitled “*Definitions and Abbreviations*” on page 6.

Other Confirmations

As of the date of this Draft Placement Memorandum, the Sponsors and the Sponsor Group are in compliance with the eligibility criteria provided under Regulation 4 of the InvIT Regulations, to the extent applicable to each of the Sponsors or Sponsor Group, severally, and are “fit and proper persons” as prescribed under SEBI Intermediaries Regulations.

B. The Trustee – Axis Trustee Services Limited

Axis Trustee Services Limited is the Trustee of the Trust. The Trustee is a registered intermediary with SEBI under the SEBI Debenture Trustee Regulations as a debenture trustee having registration number IND000000494 and the certificate of registration is valid until suspended. The Trustee’s registered office is situated at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025 and corporate office at The Ruby 2nd floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai 400 028. The Trustee is a wholly-owned subsidiary of Axis Bank Limited.

Background of the Trustee

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. The Trustee’s services are aimed at catering to the individual needs of the client and enhancing client satisfaction. As Trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions with advice on suitability of the transaction on operational aspects; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safekeeper; and (v) a trustee to real estate investment funds, etc.

The Trustee has been engaged in the activity of providing trusteeship services since 2008 and has a customer base of over 500 corporate clients. The Trustee is currently the trustee to one of the first publicly offered infrastructure investments trust in India, India Grid Trust.

The Trustee is not an Associate of the Sponsor or the Investment Manager or the Project Manager to the Trust. Further, neither the Trustee nor the settlors of the Trustee (i) are or have been debarred from accessing the securities market by SEBI; (ii) are or have been 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; and/or (iii) are or have been declared a wilful defaulter by any bank or a financial institution or consortium thereof, in accordance with the guidelines on ‘wilful defaulters’ issued 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	Designation
1.	Deepa Rath	09163254	Managing Director and CEO
2.	Rajesh Kumar Dahiya	07508488	Non-Executive Director
3.	Ganesh Sankaran	07580955	Non-Executive Director

Brief profiles of the Directors of the Trustee

1. **Deepa Rath** is the managing director and chief executive officer of Axis Trustee Services Limited.
2. **Rajesh Kumar Dahiya** is a non-executive director on the board of Axis Trustee Services Limited.
3. **Ganesh Sankaran** is a non-executive director on the board of Axis Trustee Services Limited.

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). Without prejudice to the scope and generality of the powers and authority conferred upon the Trustee under the Indian Trusts Act, 1882, 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, and such powers shall not be restricted by any principle of construction or rule or requirement, but shall operate according to the widest generality of which the foregoing words are capable, notwithstanding that certain powers are more specifically set forth herein.
- (ii). The Trustee shall have the power to determine, in accordance with the Investment Management Agreement, the Investment Objectives and the policies adopted by the Trust, distributions to Unitholders and other rights attached to the Units and other securities or instruments of the Trust 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, in accordance with the InvIT Regulations, which power may be delegated to the Investment Manager in terms of the Investment Management Agreement:
 - (a). cause the offering of the Units through any Offer Document;
 - (b). cause any Offer Document to be provided to the investors;
 - (c). accept subscriptions to Units and issue and allot Units;
 - (d). issue and allot debt securities and commercial paper, subject to and in accordance with the InvIT Documents and the InvIT Regulations.;
 - (e). summon and conduct meetings of the Unitholders in accordance with the relevant InvIT Documents and the InvIT Regulations; and
 - (f). subject to, and only in accordance with, the terms of the InvIT Documents and the InvIT Regulations, take on record of the transfer of the Units and other securities.
- (v). The Trustee shall invest and hold the InvIT Assets in the name of the Trust for the benefit of the Unitholders in accordance with the provisions of the InvIT Regulations, the InvIT Documents, the Trust Deed and the Investment Objectives. The Trustee shall be empowered to make investment decisions as provided below, with respect to the underlying assets or projects of the Trust including any further investments or divestment, subject to InvIT Regulations, applicable law and in accordance with the Offer Document. Provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement the Investment Manager is also empowered to:
 - (a). acquire, subscribe, hold, manage, trade, transfer and dispose off shares, stocks, convertibles, debentures, bonds or other equity or equity-related securities or other debt or mezzanine securities of all kinds issued by any Holding Company or any SPV 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 or SPVs, to be used as collateral security for any borrowings by the Trust or any Holding Company or any SPV or any infrastructure project;
 - (b). avail commercial loans, including the power to hypothecate, pledge or create Encumbrances of any kind on the InvIT Assets as collateral security for any such loans availed by the Trust, in accordance with the InvIT Regulations, applicable law and the policies;
 - (c). keep the capital and monies of the Trust, the Holding Companies and the SPVs in deposit with banks or mutual funds or other institutions whatsoever, in accordance with the InvIT Regulations and other applicable law;
 - (d). accept contributions;
 - (e). 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,

and income of the Trust as and when the same may become due and receivable;

- (f). invest in securities or in units of mutual funds in accordance with the InvIT Regulations and other applicable law by the Trust, the Holding Companies and the SPV;
 - (g). invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial papers in accordance with applicable law by the Trust, the Holding Companies and the SPV.
 - (h). to give, provide and agree to provide to any Holding Companies or SPVs, financial assistance in the form of investment in its 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;
 - (i). provide guarantee, security, or other collateral facility or comfort in connection with any financing, borrowings or otherwise, undertaken by the Trust, Holdcos or SPVs;
 - (j). to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer movable property or immovable property of any kind including any rights and interest therein of the Holding Companies and the SPVs; and
 - (k). to carry out any other functions, as appropriate and necessary to achieve the investment objectives, subject to compliance with the Trust Deed, the InvIT Documents and applicable law.
- (vi). Subject to the provisions of the InvIT Regulations, the Trustee, in consultation with the Investment Manager, shall have the power to make such reserves out of the income or capital as the Trustee may deem proper and any decisions of the Trustee whether made in writing or implied from its acts, so far as the applicable law may permit, shall be conclusive and binding on the Unitholders and all Persons actually or prospectively interested under the Trust Deed. Any distribution made by the Trustee from such reserves shall be in the manner set out in the Trust Deed;
- (vii). In addition to acting in its capacity as trustee, 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, consultants or advisors 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, within a reasonable time from the date of execution hereof, appoint the Investment Manager as the investment manager to the Trust, by execution of the Investment Management Agreement, on behalf of the Trust, to manage the assets and investments of the Trust and undertake activities of the Trust in accordance with the terms and conditions set out in the Trust Deed and the Investment Management Agreement and applicable law.
- (ix). The Trustee shall oversee the activities of the Investment Manager in the interest of the Unitholders, ensure that the Investment Manager complies with the InvIT Regulations and applicable law and shall obtain a compliance certificate from the Investment Manager on a quarterly basis or such other time period as prescribed by applicable law, in the form prescribed by SEBI, if any.
- (x). The Trustee shall, on behalf of the Trust, within a reasonable time from the date of execution hereof, appoint the Project Manager as the project manager for the Trust, by execution of the Project Implementation and Management Agreement, for the operation and management of the InvIT Assets, in accordance with the terms and conditions set out in the Trust Deed, the Project Implementation and Management Agreement and applicable law.
- (xi). The Trustee shall oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation and Management Agreement and shall obtain a compliance certificate from the Project Manager on a quarterly basis or such other time period as prescribed by applicable law, in the form prescribed by SEBI, if any.
- (xii). The Trustee may, in consultation with the Investment Manager, appoint any custodian in order to provide custodian services, and may permit any property comprised in the Trust to be and remain deposited with a custodian or with any Person or Persons in India or in any other jurisdiction subject to such deposit being permissible under the applicable law.

- (xiii). In the event of any capital gains tax, income tax, stamp duty or other duties, fees or taxes such as direct or indirect tax (and any interest or penalty chargeable thereon) whatsoever becoming payable in any jurisdiction in respect of the Trust or any part thereof or in respect of documents issued or executed in pursuance of the Trust Deed in any circumstances whatsoever, the Trustee shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability out of the income of the Trust, or to the extent of the amount invested in the Units by the Unitholders, as may be permitted under applicable law, and the Trustee may pay such duties, fees or taxes (and any such interest or penalty) on behalf of the Trust. For avoidance of doubt, it is clarified that pursuant to this no Unitholder will be required to make a contribution as a capital commitment to the Trust (other than the value for Units already paid).
- (xiv). The Trustee shall, subject to the advice of the Investment Manager, have the power to pay InvIT expenses out of the funds held by the Trust.
- (xv). The Trustee shall, in discharge of its duties, have the power to take the opinion of legal 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, in execution of the Trust hereof or in exercise of any of the powers hereby or by law given to the Trustee sell, rent or buy any property, or borrow property from or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate notwithstanding that the Trustee is the same Person as those trustees, executors or administrators or any of them and where the Trustee is the same Person as those trustees, executors or administrators, the transaction shall be binding on all Persons then or thereafter interested hereunder though effected and evidenced only by an entry in the books of accounts of the Trustee, provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement. The Trustee shall ensure that no conflicts of interest shall arise whilst conducting such activities.
- (xvii). Subject to applicable law, the Trustee and subject to the advice of the Investment Manager (acting on behalf of the Trust), shall have the power to:
 - (a). accept any property before the time at which it is transferable or payable;
 - (b). pay or allow any claim on any evidence that it thinks sufficient;
 - (c). accept any security movable or immovable in lieu of any amounts payable to it;
 - (d). alter the dates for payment of any amounts payable to it; and
 - (e). subject to such approval (if any) as may be required from the Unitholders, compromise, compound, abandon or otherwise settle any claim or thing whatsoever relating to the Trust or the Trust Deed.
- (xviii). The Trustee shall, subject to the advice of the Investment Manager, have the power to borrow funds or incur indebtedness through any mode including any subordinated equity or debt, commercial papers, long term loans, short term loans, bonds/debentures or other loans, whether secured or unsecured, or funds from any Person or authority (whether Government or otherwise, whether Indian or overseas) for the purpose of the Trust on such terms and conditions and for such periods and subject to approval of the Unitholders in accordance with and as may be required in terms of the InvIT Regulations, applicable law and the InvIT Documents and offer such security, guarantee or comfort as it may deem fit, for the purpose of making such borrowing. The Trustee shall, subject to the advice of the Investment Manager, also have the power to create encumbrances of any kind on the InvIT Assets as collateral security for any such borrowings, to secure and/or guarantee and/or provide comfort in connection with the performance or any of the obligations of the Trust, Holdcos or SPVs, as it may deem fit, subject to compliance with applicable law.
- (xix). Subject to the conditions laid down in any InvIT Documents, and the InvIT Regulations and applicable law, the Trustee may, subject to any advice of the Investment Manager and/or the policies, retain any proceeds received by the Trust from any Holding Companies or SPVs or infrastructure projects, including through the sale of or any Holding Company or SPV or infrastructure projects.
- (xx). The Trustee 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 Trustee may provide, in a manner not inconsistent with the provisions of the Trust Deed and the InvIT Regulations, for all or any of the following matters namely:

- (a). manner of maintaining of the records and particulars of the Unitholders;
- (b). norms of investment by the 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 shares of the Holding Companies 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 and which matters are not inconsistent with the investment objectives of the Trust Deed and applicable law;
- (e). procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and
- (f). procedure for summoning and conducting meetings of Unitholders.

The aforementioned power to make rules may be delegated by the Trustee to the Investment Manager subject to the InvIT Regulations and in terms of the Investment Management Agreement.

- (xxi). The Trustee shall cause the depository to maintain the depository register.
- (xxii). The Trustee shall advise the Investment Manager in relation to the appointment of valuer, auditors, registrar and transfer agent, merchant bankers, custodian, credit rating agency and any other intermediary or service provider or agent as may be applicable with respect to the activities pertaining to the Trust, in a timely manner, in accordance with the InvIT Regulations and applicable law. The Investment Manager shall ensure that the activities of, and the services provided by, any of the intermediaries set out above are as per the provisions of the InvIT Regulations and applicable law.
- (xxiii). The Trustee shall review the reports required in terms of InvIT Regulations and applicable law, as submitted by the Investment Manager. In the event such reports are not submitted in a timely manner, the Trustee, after due follow-up, shall intimate the same to SEBI.
- (xxiv). The Trustee shall have the power to open one or more bank accounts for the purposes of the 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 designated stock exchange as applicable, any matter which has been approved in any meeting of Unitholders, if the matter requires such action.
- (xxvi). Without prejudice to any other provisions of the Trust Deed, the Trustee shall also have the following powers and authorities:
 - (a). to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the Trust or the Trustee, and to defend, compound or otherwise deal with any such proceedings against the Trust or Trustee or the officers of the Trustee 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 any decisions thereof;
 - (b). to make and give receipts, releases and other discharges for moneys payable to the Trust and for the claims and demands of the Trust;
 - (c). to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of the Trust as the Trustee may consider expedient for or in relation to any of the matters or otherwise for the purposes of the Trust;
 - (d). to sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances in respect of the Trust;
 - (e). to negotiate, sign, seal, execute and deliver the InvIT Documents, including but not limited to, any issue agreement, share purchase agreement, services agreement, deed of right of first offer, debenture subscription agreement, escrow agreement, underwriting agreement, loan documentation, offer document or any other deed, agreement or document in connection with the Trust or the Units, including any amendments, supplements or modifications thereto;

- (f). take into their custody and/or control all the capital, assets, property of the Trust and hold the same in trust for the Unitholders in accordance with the Trust 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, applicable law and the InvIT Regulations.
- (xxvii). Subject to applicable law, the Trustee may at any time, buy-back the Units from the Unitholders.
- (xxviii). Subject to applicable law, the advice of the Investment Manager and the policies, the Trustee may cause the Trust to pay, prepay or repay any and all debt raised from any person in accordance with the terms of the Trust Deed and to redeem any debt securities or other securities, obligations or instruments in accordance with the terms thereof issued to such persons in compliance with the InvIT Regulations and other applicable law.
- (xxix). The Trustee may, delegate to the Investment Manager or the Project Manager, any powers set out above and the duties set out below, or as available to it under the InvIT Regulations and applicable law, including, *inter alia*, management of the assets and investments of the Trust vested in it under the Trust Deed, taking investment decisions, issue, listing and allotment of Units and making distributions in accordance with the InvIT Regulations. Further, for administrative and operational convenience, the Trustee may delegate to any committee or Person, with consent of the Investment Manager, any administrative duties as set out below, provided, however, 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

- (i). The Trustee shall use best endeavours to carry on and conduct the business of the Trust in a proper and efficient manner in the best interest of the Unitholders.
- (ii). The Trustee, on behalf of the Trust, 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, within a reasonable time from the date of execution of the Trust Deed, enter into the Investment Management Agreement with the Investment Manager, the Holding Companies and the SPVs, as applicable.
- (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 may 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 and declaration of such results of such meetings, provided that where there is (i) a change or removal of the Investment Manager, or a change in control of the Investment Manager, and the Trustee will be required to obtain approval of the Unitholders the Trustee shall be responsible for convening and conducting of the meeting of the Unitholders; and (ii) any issue pertaining to the Trustee, such as change in the Trustee, the Trustee shall not be involved in any manner in the conduct of the meetings of the Unitholders. The Trustee shall ensure

that the Investment Manager convenes meetings of Unitholders not less than once every year and the period between such meetings shall not exceed 15 (fifteen) 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, including in relation to intimating SEBI in case of any discrepancy in the operation of the Trust with the Trust Deed, the InvIT Regulations and any offer document. The Trustee shall also immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted or if the Investment Manager fails to submit to the Trustee the information or reports as specified under the InvIT Regulations, in a timely fashion.
- (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 as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under 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 obtain prior approval from the Unitholders in accordance with the InvIT Regulations before any change in, or change in control of, the Investment Manager due to removal or otherwise. In this regard, the Trustee shall also obtain prior approval from SEBI prior to any change in, or change in control of, the Investment Manager, in the event that such approval is required in terms of the InvIT Regulations. In case of change in Investment Manager due to removal or otherwise, the Trustee shall, appoint a new investment manager in accordance with the Investment Management Agreement, the InvIT Regulations and applicable law, within the time period prescribed under the InvIT Regulations. The previous investment manager shall continue to act as such at the discretion of the Trustee until such time as the new investment manager is appointed. The Trustee shall ensure that the new investment manager shall stand substituted as a party in all the documents to which the earlier Investment Manager was a party. The Trustee shall also ensure that the earlier Investment Manager continues to be liable for all its acts of omissions and commissions for the period during which it served as investment manager, notwithstanding its termination.
- (x). In case of change in Project Manager due to removal or otherwise, the Trustee shall appoint a new project manager in accordance with the InvIT Regulations and applicable law. The Trustee shall appoint a new project manager within the time period prescribed under the InvIT Regulations. The Trustee may, *suo moto* appoint an administrator in connection with an infrastructure project for such terms and on such conditions as it deems fit. The previous project manager shall continue to act as the project manager at the discretion of the Trustee till such time as a new project manager is appointed. All costs and expenses in this regard will be borne by the new project manager. The Trustee shall ensure that the new project manager shall stand substituted as a party in all the documents to which the earlier Project Manager was a party. The Trustee shall also ensure that the earlier Project Manager continues 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 ensure that in case of change in control of the Project Manager, written consent is obtained from the counter parties in terms of the concession agreements or agreements of a similar nature entered into by the holding company(ies) or SPVs, prior to such change, if applicable.
- (xii). 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.
- (xiii). The Trustee shall cause the books of accounts of the Trust to be in accordance with the Trust Deed.
- (xiv). 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.
- (xv). The Trustee, either by itself or through the Investment Manager shall, from time to time, 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.
- (xvi). 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.

- (xvii). 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 matter 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.
- (xviii). 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. The assets held under the Trust shall be held for the exclusive benefit of the Unitholders and such assets shall not be subject to the claims of any creditor or any Person claiming under any other fund administered by the Trustee or by the Investment Manager.
- (xix). The Trustee shall ensure through the Investment Manager 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(s) being valued.
- (xx). The Trustee of the Trust shall not invest in Units of the Trust.
- (xxi). The Trustee shall fulfil its obligations in terms of the InvIT Regulations.
- (xxii). 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 InvIT Documents and if any discrepancy, it shall inform SEBI immediately in writing.
- (xxiii). The Trustee shall (through the Investment Manager, as applicable) ensure that the Trust, the Investment Manager, the Project Manager, the Holding Companies and the SPVs adopt, policies, including corporate governance policies, policies in relation to acquisition of assets from the Sponsor and third parties, policies in relation to the related party transactions and conflict of interest, investment policies, policies in relation to appointment of auditors and valuers, policies in relation to the distribution, policies in relation to borrowing or leverage, policies in relation to determining materiality of information for periodic disclosures, policies for dealing with unpublished price sensitive information, policies for preservation and conservation of the records and documents of the Trust, policies in relation to appointment of sub-contractors, policies in relation to anti-bribery and anti-corruption, policies in relation to environment, safety and health, policies in relation to anti-money laundering and any other policies in relation to their activities related to the Trust ("**Policies**"), as applicable, prior to filing of the relevant Offer Document for the initial offer. The terms, such as, manner or requirement of Unitholders' approval for each of these Policies, applicability, amendment and termination, of the respective Policies shall be set out in each of the Policies
- (xxiv). The Trustee shall maintain records in relation to the Trust in accordance with the InvIT Regulations and applicable law.
- (xxv). 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.
- (xxvi). The Trustee shall, promptly on occurrence, inform the Sponsors of a cancellation, revocation, suspension, non-renewal of its registration to act as a trustee under applicable law or a breach of the terms of such registration that will materially impair its ability to perform its obligations and exercise its powers under the Trust Deed.

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 Companies, SPVs and infrastructure projects) 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 in respect of 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

other Unitholders.

- (iii). Without prejudice to any other provisions of the Trust Deed, but save as otherwise provided for in any InvIT Document, the Trustee shall be entitled to reimburse itself and shall be entitled to charge the Trust with the expenses, taxes, levies, and liabilities (including indemnity obligations of the Trust, if any) as set out in the Trust Deed.
- (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 held chargeable for such monies, stocks, funds, shares, assets, investment, property 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 in consultation with the Investment Manager 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 it is directed or requested to do or perform or to forbear from doing or performing 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). 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). Nothing contained in the Trust Deed, shall be construed so as to prevent the Trustee from acting as trustee of other trusts or alternate investment funds or venture capital funds or private equity funds or real estate investments trusts or infrastructure investment trusts or private trusts or customised fiduciary trusts separate and distinct from the Trust, and retaining for its own use and benefit all remuneration, profits and advantages which it may derive therefrom, as permitted under applicable law.

- (viii). If the Trustee is required by the InvIT Regulations or any other applicable law to provide information regarding the Trust 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.
- (ix). The Trustee shall not incur any liability for any act or omission or (as the case may be) failing to do any act or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the InvIT Assets or otherwise), except in the event that such loss is a direct result of fraud, gross negligence or wilful default on the part of the Trustee or results from a breach by the Trustee of the Trust Deed, as determined by a court of competent jurisdiction.
- (x). If the Trustee engages any external advisors or experts (in accordance with the Trust Deed), to discharge its obligations under the Trust Deed, 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 under the Trust Deed and such additional work is beyond the obligations of the Trustee under applicable law, the Trustee shall be entitled to recover such costs, charges and expenses which the Trustee may incur in this regard, from the funds of the Trust. Further, it is clarified that, the Trustee will not be required to utilize funds held by the Trustee for any other trust for which, Axis Trustee Services Limited is appointed as a trustee, for discharging its obligations as the Trustee under the Trust Deed.
- (xi). The liability of the Trustee includes, (a), in the event of any fraud, gross negligence, dishonest acts of commissions or omissions or wilful default on the part of the Trustee, where the Trustee fails to exercise due care in relation to its obligations under the Trust Deed, or disregard of duty or breach of duties under this Trust Deed or applicable law by the Trustee, or (b) any failure on the part of the Trustee to protect the interests of the Unitholders, other than as specified in this Trust Deed.

5. *Provisions relating to Unitholders*

- (i). Notwithstanding anything to the contrary contained in any of the InvIT Documents, the aggregate liability of each Unitholder in the Trust shall be limited to making the Capital Contribution payable by it in respect of the Units subscribed by it. For the avoidance of doubt, the Unitholders shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Investment Manager, the Sponsors, or any other Person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the InvIT Regulations or not. Further, the Sponsors shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Investment Manager or any other Person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the InvIT Regulations or not.
- (ii). Each Unit allotted to the Unitholders shall have one vote for any decisions requiring a vote of Unitholders.
- (iii). No Unitholder shall enjoy preferential voting or any other rights over another Unitholder. However, subordinate Units may be issued to the Sponsors and their associates, where such subordinate Units shall carry only inferior voting or any other rights compared to other Units.
- (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 in (vi) above, 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 InvIT Documents and applicable law, transfer any of the Units to an investor where such investor accepts all the rights and obligations of the transferor and the Trustee or the Investment Manager shall give effect to such transfer in accordance with applicable law.
- (x). No Person, other than the Sponsors, its related parties and associates (“**Investor**”) shall acquire or receive Units, which when taken together with Units held by the Investor and by persons acting in concert with the Investor exceeds 25% (twenty five percent) of the value of the outstanding Units unless prior approval of the Unitholders is obtained in accordance with the InvIT Regulations. In the event such approval is not received, the Investor shall provide an exit option to the dissenting Unitholders in terms of the InvIT Regulations and in the manner specified by SEBI.
- (xi). The Trustee shall obtain, and shall ensure that the Investment Manager obtains, as applicable, the consent of the Unitholders for the matters prescribed under the InvIT Regulations in accordance with the provisions of the InvIT Regulations.

6. *Indemnification*

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 Sponsors and any of their respective officers, directors, shareholders, sponsors, partners, members, employees, affiliates, 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, willful default or willful misconduct or breach of any obligations or duties under applicable law by the relevant Indemnified Party, as finally determined by a court order of competent jurisdiction.

7. *Termination*

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

- (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 all InvIT Assets;
- (iii). If there are no projects having valid concession agreements 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 unless in accordance with the InvIT Regulations, the Trust retains its certificate of registration and continues to undertake the activity of a privately placed and unlisted InvIT ; or
- (v). illegality of the Trust.

C. **The Investment Manager – Sustainable Energy Infra Investment Managers Private Limited**

History and Certain Corporate Matters

Sustainable Energy Infra Investment Managers Private Limited is the Investment Manager for the Trust. The Investment Manager is a private company limited by shares incorporated on April 26, 2023 at Mumbai under the

Companies Act, 2013 having CIN U66190MH2023FTC401685. The Investment Manager's registered office is situated at Mahindra Tower Pandurang Budhkar Marg, Near Doordarshan Kendra, Worli, Mumbai, 400 018.

Background of the Investment Manager

The authorised share capital of the Investment Manager is ₹ 13,00,00,000 divided into 1,30,00,000 Equity Shares of ₹ 10 each. Mahindra Sustainable Energy Private Limited (formerly known as Mahindra Telecom Energy Management Services Private Limited) and the OTPP Sponsor jointly hold 100% equity shares of the Investment Manager (where the OTPP Sponsor holds 60% of the equity shares of the Investment Manager and Mahindra Sustainable Energy Private Limited holds 40% of the equity shares of the Investment Manager).

The principal business of the Investment Manager in terms of its memorandum of association is to carry on the business of acting as investment manager, investment adviser, trustee, settlor, sponsor, promoter, portfolio manager, manager, administrator, attorney, agent, consultant, representative or nominee of or for any investment funds, unit trusts, private equity funds, debt funds, mutual funds, venture capital funds, alternative investment funds, hedge funds, collective investment schemes, taxable or tax exempt funds, trusts, pooled investment vehicles, special purpose vehicles, infrastructure investment trusts, real estate investment trusts, or any other portfolio of securities, properties and/or assets of any kind, including any pension, provident fund or superannuation fund set up, formed or established in India or in any other country by the Company or by any other person including bodies corporate, limited liability partnerships, partnerships, trusts, societies, associations of persons, or by government, state, local authority, institute (whether incorporated or not) of any other agency or organization with respect to any class of assets, and to thereby settle, administer, manage and deploy funds, acquire, take up, manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever.

The cumulative experience of the key personnel (i.e. directors/ partners or employees, as applicable) of the Investment Manager in fund management or advisory services or development in the infrastructure sector is above 30 years. Accordingly, the Investment Manager is qualified to act as such, in terms of Regulation 4(2)I(ii) of the InvIT Regulations.

Further, in accordance with the eligibility criteria specified under the InvIT Regulations, the Investment Manager had a net worth of not less than ₹ 100 million as on July 31, 2023.

Neither the Investment Manager nor any of the promoters or directors of the Investment 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.

Board of Directors of the Investment Manager

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	Designation
1.	Priya Subbaraman	01620890	Independent Director
2.	Sadashiv S. Rao	01245772	Independent Director
3.	Sumit Dayal	10248835	Independent Director
4.	Bruce Ross Crane	08403603	Director
5.	Debapratim Hajara	09804007	Director
6.	Puneet Renjhen	09498488	Director

Brief Biographies of the Directors of the Investment Manager

Please see below brief biographies of the directors of the Investment Manager:

- Bruce Ross Crane** is a director of the Investment Manager. He is currently the Executive Managing Director (Asia Pacific) of Ontario Teachers' Pension Plan and is also a director on the board of National Highways Infra Investment Managers Private Limited, the MSPL Sponsor and the Project Manager. He has a bachelor's degree in civil engineering from Lehigh University and a master's degree in business administration from the Graduate School of Business, Columbia University in the City of New York.
- Debapratim Hajara** is a director of the Investment Manager. He is currently the managing director, Infrastructure & Natural Resources at Ontario Teachers' Pension Plan ("**Ontario Teachers**"), and is also a director on the board of directors of National Investment and Infrastructure Fund Limited, the MSPL Sponsor

and the Project Manager. He has a postgraduate diploma in management from Xavier Institute of Management, Bhubaneswar and a master's of science degree in physics from Indian Institute of Technology, Kanpur.

3. **Puneet Renjhen** is a director of Sustainable Energy Infra Investment Managers Private Limited. He is also a member of the group executive board of the Mahindra Group. In his role, Puneet also serves as a director for Mahindra Susten Private Limited and as an executive vice president -Partnerships & Alliances for Mahindra & Mahindra Limited. Puneet has also led advisory and capital raising transactions of more than \$25 billion for some of the largest global and Indian corporates. He is also responsible for leading Partnerships & Alliances and leveraging potential acquisitions, joint ventures and synergies for the Mahindra Group. Puneet has completed a post graduate programme in management from the Indian School of Business, Hyderabad and has also completed a Mahindra universe program from Harvard Business School.
4. **Priya Subbaraman** is an independent director of Sustainable Energy Infra Investment Managers Private Limited. She has more than 21 years of experience in financial services sectors. Previously, she was associated with Standard Chartered Bank as a head of the compliance department, Goldman Sachs (India) Securities Private Limited as an executive director, Hongkong and Shanghai Banking Corporation Limited as a senior vice president, Lehman Brothers Securities Private Limited as a senior vice president, National Stock Exchange of India Limited as an executive vice president and the chief regulatory officer and the Kotak Group (Kotak Securities Limited and Kotak Mahindra Finance Limited) as a vice president. She has also been a director on the board of directors of National Securities Depository Limited and NSE Academy Limited. As on date, she is a director on the board of directors of Dhiraa Skilldev Foundation and is also a member of the advisory council of the Centre of Excellence in Teacher Education, Tata Institute of Social Sciences. She has a bachelor's degree in law from Kishinchand Chellaram Law College, University of Mumbai and a bachelor's degree in commerce from K. J. Somaiya College of Arts and Commerce, the University of Mumbai and has a diploma in business finance from the Institute of Chartered Financial Analysts of India. She is also an associate member of the Institute of Company Secretaries of India.
5. **Sadashiv S. Rao** is an independent director of Sustainable Energy Infra Investment Managers Private Limited. He has over 32 years of work experience. He was the founding chief executive officer of NIIF Infrastructure Finance Limited (formerly known as IDFC Infrastructure Finance Limited). He is currently a director on the board of Yes Bank Limited and Nexus Select Mall Management Private Limited. He has previously worked with IDFC Limited as its chief risk officer and at ICICI Limited. He has previously been a director on the board of Indraprastha Gas Limited, Sharekhan Limited, Asset Reconstruction Company (India) Limited, and several IDFC group companies including IDFC Alternatives Limited. He holds a bachelor's degree in technology from the Indian Institute of Technology, Kanpur and post graduate diploma in management from the Indian Institute of Management, Bangalore.
6. **Sumit Dayal** is an independent director of Sustainable Energy Infra Investment Managers Private Limited. He has more than 31 years of experience in corporate financing, mergers and acquisitions, corporate restructuring, private equity and infrastructure. He is currently associated with Avendus Capital Pte. Limited, Singapore as a non-executive director and Olea Global Pte. Limited, Singapore as an independent non-executive director. Prior to his joining the Investment Manager, he has been associated with Standard Chartered Bank (Singapore) Limited as their managing director, global head, corporate finance and Bank of America Corporation, as their managing director and senior portfolio management team leader of portfolio management – corporate – Hong Kong. He was also associated with American Express Bank as an account manager. He holds a bachelors' degree in arts from University of Delhi and has completed the Pearson SRF BTEC advanced professional diploma course conducted by the Financial Times and a general managers/effective leaders programme from Oxford SAID Business School. He was admitted as an ordinary member of the Singapore Institute of Directors on March 22, 2021.

Brief profiles of the Key Personnel of the Investment Manager

In addition to the above directors, please see below brief biographies of the other key personnel of the Investment Manager:

1. **Avinash Prabhakar Rao** is the chief executive officer of Sustainable Energy Infra Investment Managers Private Limited. Prior to joining the Investment Manager, he was associated with Mangalore Power Company and CLP Wind Farms (India) Pvt. Ltd. and other subsidiaries of CLP Holdings Limited for over 15 years and handled several responsibilities including responsibilities in relation to business development (renewables). He joined Edelweiss Alternative Advisors Limited in December 2017 and Sekura Energy Limited in 2018. He was appointed as the Whole-time Director and CEO of Sekura Energy Limited (currently known as Sekura Energy Private Limited) (portfolio company of Edelweiss Infrastructure Yield Plus Fund) in 2018 and was redesignated as a non-executive director with effect from November 1, 2021. He has been involved in leading the build-up of Sekura Energy Private Limited's ("Sekura") energy platform from its initiation including getting the management, enterprise and operating teams on board, overseeing implementation of standard practices in

governance, business applications and technology, health safety and environment practices and prudent operating practices on asset management, while supporting the growth of the business and integrating assets acquired by the Sekura platform across transmission and renewable energy segments. He holds a bachelor's degree in mechanical engineering from Mangalore University. He has completed a management development program at IMD, Switzerland, and is a Future Leaders Team Alumni of the World Business Council for Sustainable Development, at Switzerland.

2. **Devjeet Ghosh** is appointed as the General Counsel and the Chief Compliance Officer of Sustainable Energy Infra Investment Managers Private Limited. He has an overall experience of 15 years and has worked in the past across various companies within the Mahindra group (“**Mahindra Group**”) in the group legal services department. He was designated as the —general manager – group legal and head legal – renewables section of the Mahindra Group’s renewable energy arm which includes portfolio companies of the Mahindra Group namely, Mahindra Susten Private Limited, Mahindra Teqo Private Limited, Astra Solren Private Limited, BrightSolar Renewable Energy Private Limited, Megasolis Renewables Private Limited (formerly known as, Mahindra Renewables Private Limited), Mega Suryaurja Private Limited and Neo Solren Private Limited (the “**Entities**”). As the head legal, he was involved in each of the Entities’ compliance, managing risks, supporting each Entities strategic objectives, mitigating legal risks and resolving disputes before the electricity regulatory commissions. His responsibilities also encompassed a wide range of legal matters including structuring project entities, drafting, reviewing and negotiating project contracts (such as power purchase agreements, construction agreements, interconnection agreements and supply agreements), obtaining necessary permits and licenses, and ensuring compliance with environmental and land use regulations. He holds a B.S.L. LL.B. degree from the ILS Law College, Pune.
3. **Neeraj Agarwal** is appointed as one of the key managerial personnel of Sustainable Energy Infra Investment Managers Private Limited. He has an overall experience of approximately 36 years in operations & maintenance of infrastructure assets, specifically of power plants. Previously, he was associated with Sterling and Wilson Solar Limited as Head – O&M Solar, Walwhan Renewable Energy Limited as Head – O&M, NTPC Limited as senior superintendent (O&M), ACC Babcock Limited as engineer in engineering and design office and with Sterlite Energy Limited as a general manager. He holds a bachelor’s degree in engineering (mechanical) from University of Delhi and a post graduate diploma in business management from MDI (Management Development Institute), Gurgaon.

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 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.
- (ii). The Trustee shall invest and hold the InvIT Assets in the name of the InvIT for the benefit of the Unitholders in accordance with the provisions of the InvIT Regulations, the InvIT Documents, the Trust Deed and the investment objectives. The Trustee shall be empowered to make the investment decisions as provided below, with respect to the underlying assets or projects of the InvIT, including any further investments or divestments, subject to InvIT Regulations, applicable law and in accordance with the offer document. Provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement, the Investment Manager is also empowered to:
 - (a). subject to the policies, Applicable Law and terms of any agreement entered into by the Investment Manager, including any right of first offer agreements, acquire, subscribe, hold, manage, trade, transfer and dispose of shares, stocks, convertibles, debentures, bonds or other equity or equity-related securities or other debt or mezzanine securities of all kinds issued by any holding company or any SPV or any infrastructure project, 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 or SPVs, or infrastructure projects to be used as collateral security for any borrowings by the Trust or any holding company or any SPV or any infrastructure project;
 - (b). avail commercial loans, including the power to hypothecate, pledge or create encumbrances of any kind on the InvIT Assets as collateral security for any such loans availed by the Trust, in accordance with the InvIT Regulations, applicable law and the policies;

- (c). keep the capital and monies of the Trust, the holding companies and the SPVs in deposit with banks or mutual funds or other institutions, whatsoever, in accordance with the InvIT Regulations and other applicable law;
 - (d). accept contributions;
 - (e). 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;
 - (f). invest in securities or in units of mutual funds in accordance with the InvIT Regulations and other applicable law by the Trust, the holding companies and the SPVs;
 - (g). invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial papers in accordance with applicable law by the Trust, the holding companies and the SPVs;
 - (h). to give, provide and agree to provide to any holding companies, or SPVs, financial assistance in the form of investment in the 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;
 - (i). provide guarantee, security, or other collateral facility or comfort in connection with any financing, borrowings or otherwise, undertaken by the InvIT, Holdcos or SPVs;
 - (j). to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer movable property or immovable property of any kind including any rights and interest therein of the holding companies and the SPVs; and
 - (k). to carry out any other functions, as appropriate and necessary to achieve the Investment Objectives, subject to compliance with the Trust Deed, the Investment Management Agreement, the InvIT Documents and applicable law.
- (iii). The Investment Manager along with the Trustee shall within a reasonable time from the date of execution hereof, appoint a Project Manager for the Trust, by execution of the Project Implementation and Management Agreement, for the operation and management of the InvIT Assets, in accordance with the terms and conditions set up in the Trust Deed, the Project Implementation and Management Agreement and applicable law.
 - (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 in the form as may be specified by SEBI, on a quarterly basis or such other intervals as may be prescribed under applicable law.
 - (v). The Trustee hereby authorizes the Investment Manager to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the Trust, as set out in the offer document.
 - (vi). The Investment Manager shall have the power to issue and allot Units in accordance with the InvIT Regulations and within such time period as may be prescribed under applicable law. The Investment Manager shall have the power to accept subscriptions to Units of the Trust and issue and allot Units to Unitholders or such other Persons and undertake all related activities under applicable law. Additionally, the Investment Manager shall have the power to issue and allot debt securities and commercial paper, subject to and in accordance with the InvIT Documents and the InvIT Regulations. 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 InvIT Documents and applicable law, have the power to take on record of the transfer the Units and other securities. The power of the Investment Manager is subject to the condition that, after the initial offer, no Person, other than the Sponsor, its related parties and associates (the “Investor”) shall acquire or receive Units, which when taken together with Units held by the Investor and by persons acting in concert with the Investor exceeds 25% (twenty five percent) of the value of the outstanding Units unless prior approval of the Unitholders is obtained in accordance with the InvIT Regulations. In the event such approval is not received, the Investor shall provide

an exit option to the dissenting Unitholders in terms of the InvIT Regulations and in the manner specified by SEBI.

- (vii). The Investment Manager shall cause the depository to maintain a depository register.
- (viii). The Investment Manager, in consultation with the Trustee shall have the power to make such reserves out of the income or capital as it may deem proper, and any decisions of the Trustee whether made in writing or implied from its acts, so far as the applicable law may permit, shall be conclusive and binding on the Unitholders and all persons actually or prospectively interested under the Trust Deed. Any distribution made by the Trustee from such reserves shall be in accordance with the InvIT Regulations and the provisions of the Trust Deed.
- (ix). The Investment Manager shall have the power to cause the InvIT to have the power to borrow funds or incur indebtedness through any mode including any subordinated equity, or debt commercial papers, long term loans, short term loans, bonds/debentures or other loans whether secured or unsecured, or funds from any Person or authority (whether Government or otherwise, whether Indian or overseas) for the purpose of the InvIT on such terms and conditions and for such periods and subject to approval of the Unitholders in accordance with and as may be required in terms of the InvIT Regulations, applicable law and the InvIT Documents and offer such security, guarantee or comfort as it may deem fit, for the purpose of making such borrowing. The Investment Manager shall also have the power to cause the InvIT to create encumbrances of any kind on the InvIT Assets as collateral security for any such borrowings to secure and/or guarantee and/or provide comfort in connection with the performance or any of the obligations of the Trust, Holdcos or SPVs, as it may deem fit, subject to compliance with applicable law.
- (x). The Investment Manager shall have the power to exercise all rights of the Trust in the SPVs/holding companies, 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 Trust, and in accordance with the InvIT Regulations and applicable law. Additionally, if the Trust has invested in infrastructure projects through the holding company or SPVs, then the Investment Manager, in consultation with the Trustee, shall appoint the majority of the directors of the holding company(ies) and/or the SPV(s), in accordance with the applicable law, as well as ensure that in every general meeting including the annual general meeting of any SPV or holding company, the voting of the Trust is exercised, in accordance with the InvIT Regulations and applicable law.
- (xi). The Investment Manager or the Management Team 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, consultants or advisors 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, consultants or advisors to raise funds, or do any act required to be transacted or done in the execution of the responsibilities hereof including the receipt and payment of moneys and the execution of documents.
- (xiii). The Investment Manager may appoint any custodian in order to provide such custodian services as may be authorised by the Trustee, 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 InvIT 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 contractual indemnity with valuers, auditors, registrar and transfer agent, merchant banker, credit rating agency, or any other intermediary or service provider or agent including any amendments or supplements thereto as may be applicable with respect to the activities pertaining to the Trust in a timely manner as per the provisions of the InvIT Regulations and applicable law. The Investment Manager shall appoint an auditor for a period of not more than five consecutive years or such period as provided in the InvIT Regulations. The Investment Manager shall have the power to determine the remuneration of the auditors in consultation with the Trustee. Provided that in the event the Investment Manager is required to take any approval of the Unitholders for approval of remuneration of the auditors or appointment of the auditors, the same shall be obtained in accordance with the requirements as set out in the InvIT Regulations. The Investment Manager shall also have the power to determine the

remuneration of the valuer. The remuneration of the valuer shall not be linked to or based on the value of the InvIT Assets being valued.

- (xv). In the event of any capital gains tax, income tax, stamp duty or other duties, fee or taxes such as direct or indirect tax (and any interest or penalty chargeable thereon) whatsoever becoming payable in any jurisdiction in respect of the InvIT or any part thereof or in respect of documents issued or executed in pursuance of the Investment Management Agreement, the Trust Deed and InvIT Documents in any circumstances whatsoever, the Investment Manager shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability (and any such interest or penalty) out of the InvIT's income, or to the extent of the amount invested in the Units by the Unitholders, as may be permitted under Applicable Law, and the Investment Manager may pay such duties, fee or taxes (and any such interest or penalty) on behalf of the InvIT. For avoidance of doubt, it is clarified that pursuant to this clause no Unitholder will be required to make a contribution as a capital commitment to the InvIT (other than the value for Units already paid). The Investment Manager shall exercise due care and prudence in payment of duties and taxes of the InvIT 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 InvIT Expenses out of the funds of the Trust, or from any or all of the InvIT Assets on behalf of the Trust, SPVs and any holding companies, 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, subject to as set out in the Investment Management Agreement.
- (xvii). The Investment Manager, in discharge of its duties shall have the power to take the opinion of legal / tax counsel in any jurisdiction concerning any disputes or difference arising under the Investment Management Agreement or any matter relating to the InvIT and the fee of such counsel shall be paid out of the funds held in the InvIT.
- (xviii). Subject to applicable law, the Investment Manager shall have the power, on behalf of the Trust, 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 security movable or immovable in lieu of any amounts payable to it;
 - (d). alter the dates for payment of any amounts payable to it; and
 - (e). subject to such approval (if any) 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 InvIT Documents, the policies, the InvIT Regulations and applicable law, the Investment Manager may retain any proceeds received by the InvIT from any holding company or SPV or infrastructure projects, including through the sale of or any holding company or SPV or infrastructure projects.
- (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 shares of holding companies or SPVs of the InvIT 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, the Trust Deed and the applicable law;

- (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 InvIT's premises or properties (including any holding companies, SPVs and infrastructure projects) without the prior 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 in respect of any detail of the InvIT's activities or any matter which may be related to the conduct of the business of the InvIT and which information may, in the opinion of the Trustee and the Investment Manager, adversely affect the interest of other Unitholders.
 - (xxii). The Investment Manager (acting on behalf of the Trust) 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). Subject to applicable law, the policies and the advice provided by the Investment Manager to the Trustee, the Investment Manager (through the Trustee) may cause the InvIT to pay, prepay or repay any and all debt raised from any Person in accordance with the terms therein and to redeem any debt securities or other securities, obligations or instruments in accordance with the terms thereof issued to such Persons in compliance with the InvIT Regulations and other applicable law.
 - (xxiv). The Investment Manager shall review the reports required in terms of InvIT Regulations and applicable law. In the event such reports are not submitted in a timely manner, the Investment Manager, after due follow-up, shall intimate the same to SEBI.
 - (xxv). The Investment Manager shall have the power to open one or more bank accounts for the purposes of the InvIT, to deposit and withdraw money and fully operate the same.
 - (xxvi). The Investment Manager shall have the power to take up with SEBI or with the designated stock exchange as applicable, any matter which has been approved in any meeting of Unitholders, if the matter requires such action.
 - (xxvii). The Investment Manager shall provide the Trustee with advice and recommendations regarding the extension of loans from the Trust to the holding company or the SPVs and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the holding company or SPVs to the Trust or extension of loans from the Trust in compliance with applicable law.
 - (xxviii). 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 the officers of the Investment Manager 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). to ascertain, assess and calculate the net distributable cash flows of the Trust in accordance with the Trust Deed, the policy adopted by the Trust, the InvIT Regulations and applicable law;
- (h). pay out of the income of the Trust, after deducting all expenses, the income and other distributions in accordance with the Trust Deed, InvIT Regulations and applicable law;
- (i). 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;
- (j). 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;
- (k). in accordance with applicable law, 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;
- (l). 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;
- (m). 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 conduct all affairs of the Trust in the interest of all the Unitholders. Further, it shall at all times maintain high standards of integrity and fairness in all its dealings and in the conduct of its business.
- (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 appoint an eligible valuer and ensure that the valuation of the InvIT Assets is done by the valuer(s) in accordance with the InvIT Regulations and at the frequency as required under the InvIT Regulations. The Investment Manager shall submit the valuation reports to the Trustee as required under the InvIT Regulations and within the timelines prescribed in the InvIT Regulations. In the event the Trust is listed, the Investment Manager shall also submit the valuation reports to the stock exchange(s) in accordance with the InvIT Regulations and applicable law.
- (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 InvIT assets held by the SPVs are adequately insured.
- (v). The Investment Manager shall maintain proper books of accounts, documents and records with respect to the Trust, in the manner set out in the Trust Deed, to give a true, fair and accurate account of the investments, expenses, earnings, profits etc. of the Trust. The financial year of the Trust shall begin from the date of the Trust Deed and shall end on the immediately succeeding 31st of March and on the 31st of March in each succeeding year, unless otherwise determined. 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 other applicable law 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, the Trust Deed and in accordance with the policy adopted by the Trust. 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, the Trust Deed and in accordance with the policy adopted by the Trust. Such declared distributions shall be made within the time period prescribed by the InvIT Regulations, the Trust Deed and in accordance with the policy adopted by the Trust.

- (vii). The Investment Manager shall convene meetings of the Unitholders in accordance with the InvIT Regulations and oversee the voting by Unitholders and declaration of such results of such meetings, provided that where there is (i) a change or removal of the Investment Manager, or a change in control of the Investment Manager, and the Trustee will be responsible for convening and conducting of the meeting of the Unitholders; and (ii) any issue pertaining to the Trustee, such as change in the Trustee, the Trustee shall not be involved in any manner in the conduct of the meetings of the Unitholders. The Investment Manager shall convene meetings of Unitholders in not less than once every year and the period between such meetings shall not exceed 15 (fifteen months) and maintain records pertaining to the meetings in accordance with the InvIT Regulations. The Investment Manager acknowledges that matters brought to vote at a meeting of the Unitholders shall require approval of such percentage of Unitholders, present and voting, in accordance with the InvIT Regulations.
- (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 as required in accordance with the InvIT Regulations, and prior approval from SEBI, if required under applicable law, and shall ensure that no such change is given effect to until such prior approval has been obtained, or the Investment Management Agreement is terminated and a new investment manager has been appointed in accordance with the terms hereof, or in compliance with any other requirement under the InvIT Regulations and applicable law.
- (ix). The Investment Manager will monitor the Trust, including monitoring current and projected financial position of the Trust and 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 from the team 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 any 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 adopt, as applicable, and shall ensure that, the InvIT, the Project Manager, the holding companies and the SPVs adopt policies, including corporate governance policies, policies in relation to acquisition of assets from the Sponsor and third parties, policies in relation to the related party transactions and conflict of interest, investment policies, policies in relation to appointment of auditors and valuers, policies in relation to distribution, policies in relation to borrowing or leverage, policies in relation to determining materiality of information for periodic disclosures, policies for dealing with unpublished price sensitive information, policies for preservation and conservation of the records and documents of the InvIT, policies in relation to appointment of sub-contractors, policies in relation to anti-bribery and anti-corruption, policies in relation to environment, safety and health, policies anti-money laundering and any other policies, in relation to their activities related to the InvIT as applicable, prior to filing of the relevant offer document for the initial offer. The terms, such as, manner or requirement of Unitholders' approval for each of these policies, applicability, amendment and termination, of the respective policies shall be set out in each of the policies.
- (xii). 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.
- (xiii). 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.
- (xiv). The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the Trust.
- (xv). 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, specifically Regulations 18, 19 and

20 of the InvIT Regulations, performance report, status of development of under-construction projects, within the time period specified under the InvIT Regulations;

- (b). valuation reports as required under the InvIT Regulations within the time period specified under the InvIT Regulations;
- (c). proposal or 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 required under the InvIT Regulations and as may be reasonably necessary for 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.

In the event of failure of the Investment Manager to submit information or reports as specified above in a timely manner and in terms of the InvIT Regulations, the Trustee shall intimate SEBI.

- (xvi). The Investment Manager shall submit to the Unitholders such information, document and records as pertaining to the activities of the Trust or having bearing on the operation or performance of the Trust as may be required under the InvIT Regulations.
- (xvii). The Investment Manager shall be responsible for all activities pertaining to the offer, issue and listing of the Units of the Trust, as applicable, in accordance with applicable law, including:
 - (a). filing of Offer Document with SEBI;
 - (b). filing the offer document with the stock exchange(s), in the event the Trust is listed or proposes to be listed, within the prescribed time period;
 - (c). dealing with all matters up to the allotment of Units to the Unitholders;
 - (d). obtaining in-principle approval and final listing and trading approvals from the designated stock exchange, in the event the Trust is listed or proposes to be listed; and
 - (e). dealing with all matters relating to the issue and listing of the Units as specified under Chapter IV of the InvIT Regulations and all matters relating to the offer and issue of Units under Chapter VIA of the InvIT Regulations and any guidelines as may be issued by SEBI in this regard, as applicable. In the event the Trust is listed, the Trust shall also comply with the minimum public holding for the Units and minimum number of Unitholders as prescribed under the InvIT Regulations.
- (xviii). 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.
- (xix). In the event the Trust is listed and in case of occurrence of any event specified in Regulations 17(1)(a) to 17(1)(g) of the InvIT Regulations, the Investment Manager shall apply for delisting of units of the Trust to SEBI and the designated stock exchange in accordance with the InvIT Regulations and applicable law.

- (xx). The Investment Manager shall within the time period prescribed under the InvIT Regulations, submit an annual report of the Trust to all the Unitholders electronically or provide physical copies, and to the designated stock exchange.
- (xxi). In the event the Trust is listed, the Investment Manager shall, in accordance with the requirements of the InvIT Regulations and other applicable law, including any requirements prescribed by SEBI or the stock exchange(s) from time to time, disclose 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
- (xxii). Without prejudice to any other provision of the Investment Management Agreement, the Investment Manager will also have the following duties and obligations:
 - (a). ensure that computation and declaration of net asset value of the Trust is based on the valuation done by the valuer in accordance with the InvIT Regulations and applicable law and is disclosed to the stock exchanges in accordance with the InvIT Regulations and applicable law, if applicable;
 - (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, fee, property and other payments due and receivable by the Trust declaring distribution to the Unitholders in the manner set out in the Trust Deed and in terms of the InvIT Regulations and applicable law;
 - (f). to ensure that no commission or rebate or any other remuneration, arising out of transactions pertaining to the Trust is collected by it or its associates, other than as specified in the offer document or any other document as may be specified by SEBI for the purpose of the issue of the Units of the Trust;
 - (g). to ensure that 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 SPVs are legal, valid, binding and enforceable by and on behalf of the Trust and the SPVs;
 - (h). to ensure that the activities of the intermediaries or agents or service providers appointed by it are in accordance with the InvIT Regulations or any guidelines or circulars issued thereunder;
 - (i). to ensure that any possible conflict of interest involving its role as Investment Manager is reported to the Trustee;
 - (j). to ensure that disclosures or reporting to Unitholders, SEBI, the Trustee and the designated stock exchange(s) are in accordance with the InvIT Regulations and applicable law;
 - (k). provide SEBI, the designated stock exchange and Trustee, where applicable, such information as may be sought by SEBI or by the designated stock exchange or Trustee pertaining to the activity of the Trust and promptly rectify any discrepancy in the operation of the InvIT with the InvIT Documents, the InvIT Regulations and any Offer Document;
 - (l). to inform the Trustee in writing about any change in the representations and warranties provided by it under the terms of the Investment Management Agreement;
 - (m). taking any other actions reasonably incidental to any of the foregoing, or necessary or convenient in order to fully effect or evidence any action or transaction contemplated under the Investment Management Agreement; and

- (n). ensure that the Capital Contribution and other InvIT Assets shall be utilized solely for the purposes of making investments, as stated in the Deed and Offer Document, meeting the Investment Objectives and for the purposes of any expenses incidental to the Investment Objectives, in accordance with the InvIT Regulations and Applicable Law.
- (xxiii). 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.

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. However, it shall duly inform the Trustee and the Unitholders of the same.
- (iii). If the Investment Manager is required or reasonably believes that it is required, by the InvIT Regulations or any other applicable law to provide information regarding the Trust or the Unitholders, the InvIT investments and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Investment Manager shall not be liable to the Unitholder or any of them or to any other party as a result of such compliance or in connection with such compliance.
- (iv). The Investment Manager shall not incur any liability for any act or omission which may result in a loss to a Unitholder by reason of any depletion in the value of 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, as determined by a court of competent jurisdiction.
- (v). If the distributions, after being declared, are not made within the period prescribed in the InvIT Regulations, the Investment Manager shall be liable to pay interest to the Unitholders at the rate as may be prescribed in the InvIT Regulations until the distribution is made, and such interest shall not be recovered in the form of fee 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 Trust 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.
- (vii). The Investment Manager shall continue to be liable for all of its acts of omission and commission with respect to the activities of the Trust, notwithstanding surrender of registration of the Trust to SEBI.

4. *Indemnification*

- (i). In addition to the fee, distributions and expense reimbursements herein described, the Trustee (on behalf of the Trust) shall, from the InvIT Assets, indemnify the Investment Manager and its respective affiliates, officers, directors, shareholders, partners, members, employees, advisors and agents (“**Indemnified Parties**”) from and against any claims, losses, costs, damages, liabilities, suits, proceedings, taxes and expenses, including legal fee (“**Losses**”) suffered or incurred by the Indemnified Parties by reason of their activities on behalf of the Trust, unless such Losses have resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligation or duties under applicable law by the relevant Indemnified Party, as finally determined by a court of competent jurisdiction.

- (ii). The Trustee, its directors, employees and officers (“**Trustee Party**”) shall be indemnified by the Investment Manager against any claims, losses, costs, damages, liabilities, suits, proceedings, taxes and expenses, including legal fee 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 InvIT including in any offer document, if 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 InvIT Documents, any information memorandum, offer document and applicable law, as determined by a court of competent jurisdiction.
- (iii). The Trustee acknowledges and agrees that the aggregate maximum liability of the Investment Manager in each financial year with regard to this indemnity clause, shall be limited to the aggregate fees paid to the Investment Manager in a 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 final non-appealable order of a court of competent jurisdiction.

5. *Termination*

- (i). Subject to the other provisions of the Investment Management Agreement, including this Clause, the Agreement shall continue during the term of the Trust and shall terminate upon dissolution of the Trust.
- (ii). 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.
- (iii). The appointment of the Investment Manager may be terminated by the Trustee in accordance with the procedure specified under the InvIT Regulations.
- (iv). 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.
- (v). 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 of 30 (thirty) business days to the Trustee, subject to appointment of new Investment Manager in accordance with the Investment Management Agreement and the InvIT Regulations; or
 - (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) 60 (sixty) business days; or such other period as may be mutually agreed to cure such breach; or
 - (c). 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.
- (vi). After prior approval from the Unitholders and SEBI (in the event the Trust is listed) in accordance with the InvIT Regulations, for the change in the Investment Manager due to removal or otherwise, 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, and the terms of such appointment and agreement shall not be on more favourable terms and conditions. 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.
- (vii). Subject to the provisions of the Investment Management Agreement, all decisions in respect of the Investment

Manager and the Investment Management Agreement, including change, removal or replacement of the Investment Manager and appointment of a new investment manager, shall be strictly taken in accordance with the Investment Management Agreement and shall require approval and consent of the Unitholders in accordance with the Trust Deed. For appointment of a new investment manager for any reason whatsoever, the Trustee shall follow the following mechanism at all times:

- (viii). Within 3 (three) months from the date of termination of the Investment Management Agreement, the new investment manager, who, throughout the term of its appointment: (i) meets the eligibility criteria for an investment manager set out in the InvIT Regulations; and (ii) acts in accordance with and amends its constitutional documents and agreements to ensure compliance with the InvIT Documents.
- (ix). Upon removal or replacement of the Investment Manager in accordance with the InvIT Regulations, the Investment Manager shall, within a period of 30 (thirty) 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 Trust 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 effectiveness of such removal or resignation.

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 – Green Energy Infra Project Managers Private Limited

History and Certain Corporate Matters

Green Energy Infra Project Managers Private Limited is the Project Manager for the Trust. The Project Manager is a private company limited by shares incorporated on April 30, 2023 at Mumbai under the Companies Act, 2013 having CIN U70200MH2023FTC402056. The Project Manager's registered office is situated at Mahindra Towers, Pandurang Budhkar Marg, near Doordarshan Kendra, Worli, Mumbai, 400 018, Maharashtra, India.

Background of the Project Manager

The principal business of the Project Manager in terms of its memorandum of association is to set up, create, promote, establish, carry on, directly or through affiliates, associates or subsidiaries, the business of providing consulting, achieving execution/management of the infrastructure related projects and management services and infrastructure support service in relation to all kinds of infrastructure related projects, implementation, operation, maintenance including but not limited to acting as multi-disciplinary consultants for infrastructure projects in the areas of property management, operating and maintenance services, business management services, marketing and consultancy of energy infrastructure related projects as set up under/by individuals, partnership firms, government or government agencies, any body corporate, any artificial jurisdiction person, any kind of organisations trusts including any infrastructure investment trusts, real estate investment trusts or institutions, any branch or franchisees, provident, pension, gratuity and superannuation funds, charitable funds, consortium funds, or any other funds, trusts or pooled investment vehicles, by whatever name called, in India or outside India (in each case, subject to the approval of the relevant regulatory authority, if required).

The Project Manager will be looking over the operation and maintenance of the entire portfolio of the 8 projects to be transferred to the Trust.

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 for the Initial Portfolio Assets, in terms of the InvIT Regulations, the key terms of which, are provided below:

1. *Scope of Services*
 - a. The Project Manager shall, either directly or through the appointment and supervision of appropriate agents (“**Agents**”), undertake the operation, maintenance and management of InvIT Assets in accordance

with the scope of services as set out in the Project Implementation and Management Agreement.

- b. The Project Manager shall sub-contract or outsource the operations and maintenance (“**O&M**”) services for the Portfolio Assets, as required, to Mahindra Teqo Private Limited (“**Teqo**”), an Agent, until conclusion of the relevant contract with Teqo. Further, in the event of acquisition of any asset by the Trust, a right of first offer in relation to the O&M services to be provided to such assets shall be provided by the Project Manager to Teqo for a period, as specified in the definitive terms of the relevant agreements, provided that in respect of any asset acquired by the Trust from any entity other than the MSPL Sponsor, such right of first offer shall be provided only when the existing O&M contract executed by such acquired asset is terminated with cause or on account of expiry of such contract.
- c. The scope of services of the Project Manager are as follows:
 - (i). Core operations and maintenance (“**O&M**”), asset management services and technical services including but not limited to:
 - a. engineering, procurement and construction management for the capacity augmentation / retrofitting / replacement of inverter, cable, modules and other components;
 - b. planning, forecasting and scheduling;
 - c. compliance with Deviation Settlement Mechanism Regulations, 2022 and amendments thereto;
 - d. joint meter reading and billing;
 - e. plant supervision,
 - f. plant operations,
 - g. plant maintenance (including both preventive and corrective measure related maintenance),
 - h. site maintenance,
 - i. HSE management,
 - j. management of spares and warranties of components,
 - k. compliance with power purchase agreements, facilities provided by lenders and insurance related compliances,
 - l. represent the SPVs in respect of commercial correspondence,
 - m. liaise with government authorities in connection with the InvIT Assets,
 - n. sending appropriate responses to notices from governmental authorities and coordinating with them to obtain appropriate approvals, if any, for the InvIT Assets,
 - o. training staffs for relevant operations and maintenance functions,
 - p. providing support to identify vendors and procuring and installing equipment and supplies,
 - q. providing daily generation reports to the Investment Manager,
 - r. management of the plant and providing plant performance data and related MIS on a regular basis,
 - s. security services at plants; and
 - t. operations services.

2. *Duties of the Project Manager*

The duties of the Project Manager in terms of the Project Implementation and Management Agreement are as follows:

- (i). The Project Manager shall, either directly or through the appointment and supervision of Agents, undertake and/or supervise operations and management of the InvIT Assets and be liable for making arrangements for fulfilment of the services in relation to the InvIT Assets as may be necessary for the discharge of its duties under the terms of the agreement and under the Applicable Law.
- (ii). The Project Manager shall, either directly or through Agents, oversee the progress of development, approval status and other aspects of the InvIT Assets that may be under development or is to be established until its completion in accordance with any agreement that may be entered into in this regard and discharge all obligations in respect of achieving timely completion of the infrastructure projects, wherever applicable, including the supervision of Agents appointed for such purpose.
- (iii). The Project Manager shall, either directly or through Agents, discharge all obligations in respect of the implementation, maintenance, operation and management of the infrastructure projects which have achieved the commercial operations date in terms of the respective project agreements in terms of the Project Implementation and Management Agreement and the InvIT Regulations.
- (iv). The Project Manager acknowledges that the Trustee and the Investment Manager will oversee the activities undertaken by the Project Manager in accordance with the InvIT Regulations and accordingly, the Project Manager shall extend complete co-ordination to enable the Trustee and the Investment

Manager to perform such obligations in accordance with the InvIT Regulations. The Project Manager shall provide compliance certificate(s) to the Trustee and the Investment Manager on a quarterly basis, 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 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 and if required under the InvIT Regulations or other Applicable Law, obtain confirmations from a practicing chartered accountant or a valuer, as applicable, confirming that such transactions with related parties are on an arm's length basis, and shall provide the Investment Manager with details of transactions carried out between itself and its associates in relation to the Trust and disclose any conflict of interest in such cases to the Investment Manager, in accordance with the InvIT Regulations.
- (vi). The Project Manager shall intimate the Trustee prior to any change in control of the Project Manager to enable the Trustee, with support from the Investment Manager, to seek requisite approval from regulatory, statutory, legal or government authorities, lenders and any contractual counter parties in accordance with any documents pertaining to the InvIT Assets, if applicable.
- (vii). The Project Manager shall, either by itself or through its Agents, provide to the Trustee and the 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 InvIT Assets and the reporting requirements under the InvIT Regulations and any information in relation to the Trust being disclosed in the Offer Document, in a proper and timely manner, and in the format prescribed (if any), as required by the Trustee and /or the Investment Manager. Further, the Project Manager shall, either by itself or through its Agents, provide reasonable assistance to the Portfolio Assets to apply for, obtain and maintain all necessary approvals (and renewals of the same) that each of the Portfolio Assets is required to obtain from or file relevant applications for approvals with any governmental authority in connection with InvIT Assets or as may be required under any third party agreement entered into by the Portfolio Assets.
- (viii). The Project Manager shall appoint one of its qualified employees reasonably acceptable to the Investment Manager and the Portfolio Assets with adequate and appropriate experience as a principal contact for the board of directors of the Portfolio Assets, the Trustee and the Investment Manager in relation to the services. The Project Manager shall have full authority, to receive directions and instructions from each of the Portfolio Assets and to take actions in relation to and ensure compliance with such directions and instructions and report back to each Portfolio Asset, the Trustee and the Investment Manager.
- (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 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 team members and agents, the Project Manager shall promptly, in consultation and agreement with the other parties to the Project Implementation and Management Agreement regarding appropriate remedying of the defects including through its Agents, repair, replace or otherwise make good such defects as well as any damage caused by such defects.
- (xi). The Project Manager shall be liable to the other parties to the Project Implementation and Management Agreement for any direct loss or damage attributable to the breach of the obligations of the Project Manager including those of the team members, under the Project Implementation and Management Agreement. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager in each financial year shall be limited to an amount equivalent to the aggregate fee payable to the Project Manager in such financial year in accordance with the terms of the Project Implementation and Management Agreement, as applicable unless the loss or damage caused is due to gross negligence, fraud or wilful default of the Project Manager.
- (xii). The duties of Project Manager shall also include the following:
 - a. supervision of revenue streams from the InvIT Assets and providing the necessary certification as may be required under the applicable law and the InvIT Regulations;

- b. execution and completion of activities in relation to the InvIT Assets under development or to be developed in accordance with and in the manner contemplated in any agreement entered into by the relevant Portfolio Asset in this regard;
 - c. exercising diligence and vigilance in carrying out its duties directly or indirectly, and protecting the commercial interests of the InvIT Assets;
 - d. keeping the Investment Manager informed on all matters which adversely impact the revenue of the InvIT Assets by not less than 5% of the revenue of the InvIT Assets for the previous financial year;
 - e. liaising with governmental authorities in respect of its obligations under Project Implementation and Management Agreement and the project agreements;
 - f. taking appropriate measures to mitigate the risks which may be encountered by the Trust in respect of the InvIT Assets, including creation of risk registers and periodic risk audits either directly or through its Agents;
 - g. keeping proper records for actions taken in respect of the InvIT Assets;
 - 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 provisions for additional services to be rendered by the Project Manager. If, in the assessment of the Project Manager, additional services are required for the purposes of carrying out its duties and obligations under the Project Implementation and Management Agreement and applicable law, the Project Manager shall notify the parties to the Project Implementation and Management Agreement in writing of such requirement including the fee payable and terms and conditions for such additional services and obtain prior written approval of the relevant parties to the Project Implementation and Management Agreement in this regard.
- (xiv). 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.
- (xv). 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.
- (xvi). In case of any inconsistency or discrepancy between Project Implementation and Management Agreement and the project agreements, the Project Manager shall bring the same into the notice of the Trustee and the Investment Manager and take all such actions necessary to resolve the inconsistency.

3. *Indemnity*

The Trustee, the Investment Manager and the Portfolio Assets and their respective directors, employees, officers and the Trust (“**Indemnified Parties**”) shall be indemnified by the Project Manager against any claims, losses, costs, damages, liabilities, suits, proceedings, taxes 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 its Agents, arising out of gross negligence, willful default or fraud on part of the Project Manager, in carrying out its obligations under the Project Implementation and Management Agreement, the other InvIT Documents any information memorandum / Offer Documents and applicable law. The Trustee, the Investment Manager and the Portfolio Assets acknowledge and agree that the aggregate maximum liability of the Project Manager in each financial year shall be limited to an amount equivalent to the aggregate fee payable to the Project Manager in such financial year in accordance with the terms of the Project Implementation and Management Agreement, as applicable.

4. *Termination*

- (i). The Project Implementation and Management Agreement shall remain valid and effective, unless terminated by the parties to the Project Implementation and Management Agreement in accordance with

the provisions of the agreement or extended by mutual consent expressed in writing by the parties to the Project Implementation and Management Agreement (“**Validity Period**”), for the period in which all the relevant project agreements are in force (till the last date on which any of the relevant project agreements are valid and in force).

- (ii). Prior to the expiry of its validity period, the Project Implementation and Management Agreement, may be terminated:
 - a. by the Investment Manager after consultation with the Trustee by delivery of a written notice to the Project Manager at any time, upon non-performance or 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 120 days or such other period as may be mutually agreed to cure such breach; or
 - b. 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 whether voluntary or involuntary are commenced or admitted against such other party (and such proceedings persist for a period of more than three months).
- (iii). Notwithstanding anything contained hereinabove, the Trustee 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. While appointing the new project manager, the Trustee, in consultation with the Investment Manager shall take into consideration the revenue, net-worth and experience of such new project manager. The new project manager or its associates shall have not less than 5 years of experience in the field of operation, maintenance and management of renewable energy projects.
- (iv). 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. All costs and charges in this regard shall be borne by the new project manager. The Project Manager shall continue to be liable for all its acts, omissions and commissions notwithstanding its termination.
- (v). The termination of the Project Implementation and Management Agreement shall not affect the rights and obligations of the parties accrued prior to such termination.
- (vi). In case of early termination prior to the expiry of the validity period, the Project Manager shall be entitled to and the Trustee shall be liable to pay to the Project Manager, out of the funds of the Trust, the fee accrued up to the date of termination. The fee shall be paid to the Project Manager within a period of 7 business days from the date of receipt of demand in this regard from the Project Manager failing which the fee, or any part thereof, which remains outstanding shall attract interest at the rate between 9% to 10%, as mutually agreed between the parties to the Project Implementation and Management Agreement, for such number of days for which there is a delay.
- (vii). In case of termination under clause (ii)(b) above, the fee accrued and outstanding up to the date of termination shall be treated as dues and the Project Manager shall be treated as a creditor for such amounts.
- (viii). Notwithstanding anything contained hereinabove, (i) in the event that 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, or (ii) in the event of cancellation of registration of the Trust by SEBI, or (iii) winding up of the Trust, then the Project Implementation and Management Agreement shall automatically terminate without any liability to any party

OTHER PARTIES INVOLVED IN THE TRUST

The Auditors

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed Deloitte Haskins and Sells LLP (Firm Registration No. 117366W/ W-100018) as the auditors of the Trust commencing from Financial Year 2023-2024, for a period of 5 years, which shall be subject to approval of the Unitholders each year. The Auditors have audited the Audited Special Purpose Combined Financial Statements and have verified the Projections of Revenue from Operations and Cash Flow from Operating Activities, and their report in relation to such Audited Special Purpose Combined Financial Statements dated September 26, 2023 and Projections of Revenue from Operations and Cash Flow from Operating Activities dated September 26, 2023 have been included in this Draft Placement Memorandum.

Functions, Duties and Responsibilities of the Auditors

The functions, duties and responsibilities of the Auditors will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Auditors are required to comply with the following conditions at all times:

1. the Auditors shall conduct audit of the accounts of the Trust and draft the audit report based on the accounts examined after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;
2. the Auditors shall, to the best of its 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 Auditors shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust;
4. the Auditors shall have a right to require such information and explanation pertaining to activities of the Trust as they may consider necessary for the performance of its duties as auditors from the employees of the Trust or Parties to the Trust or the Initial Portfolio Assets or any other person in possession of such information; and
5. the Auditors shall undertake a limited review of the audit of all the entities or companies whose accounts are to be consolidated with the accounts of the Trust as per the applicable Indian Accounting Standards and any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, in such manner as may be specified by SEBI.

The Valuer

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed S. Sundararaman, bearing registration no. IBBI/RV/06/2018/10238 with effect from April 24, 2023, as the valuer of the Trust for the initial valuation of the InvIT Assets, in accordance with the InvIT Regulations. In accordance with the InvIT Regulations, the Valuer has undertaken a full valuation of the Initial Portfolio Assets, and their report dated September 26, 2023 in relation to such valuation as on March 31, 2023, has been included in this Draft Placement Memorandum.

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 InvIT 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 or in the

assets being valued; and (ii) sell the assets or Units held prior to being appointed as the valuer, until the time the Valuer is designated as the 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 Trust, 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 ("Appointment Policy")

The Investment Manager has adopted a policy on the appointment of auditor and valuer of the Trust, pursuant to its resolution dated September 26, 2023. Under the terms of the Appointment Policy, it shall 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. The key terms of the Appointment Policy are set out below:

Appointment and role of the auditor of the Trust

- (i). The Investment Manager, in consultation with the Trustee, shall appoint any of the following audit firms, namely, PricewaterhouseCoopers or Deloitte & Haskins or Ernst & Young or KPMG or Grant Thornton (or their affiliates in India), as the auditor of the Trust, in a timely manner and in accordance with the InvIT Regulations.
- (ii). The Investment Manager shall ensure that the appointment of the Auditor and the fees payable to the Auditor is approved by the unitholders of the Trust in accordance with the InvIT Regulations.
- (iii). The Investment Manager shall ensure that if the removal of the Auditor 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 shall be approved by the Unitholders in accordance with the InvIT Regulations.
- (iv). The Investment Manager shall appoint a firm as the Auditor, who shall hold office from the date of conclusion of the annual meeting in which the Auditor has been appointed till the date of conclusion of the sixth annual meeting of the Unitholders in accordance with the procedure for selection of auditors, in accordance with the InvIT Regulations.
- (v). The Investment Manager shall not appoint or re-appoint an audit firm as the Auditor for more than two terms of five consecutive years, provided that, upon completion of two terms of five consecutive years, such audit firm shall not be eligible for re-appointment as the auditor in the Trust for a period of five years from the date of completion of its term.
- (vi). The Investment Manager shall ensure that the audit of accounts of the Trust by the Auditor is done not less than once in a year and such report is submitted to the stock exchanges within the timelines prescribed under the InvIT Regulations.
- (vii). 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.

- (viii). The Auditor shall undertake a limited review of the audit of all the entities or companies whose accounts are to be consolidated with the accounts of the Trust as per the relevant auditing standards under applicable law and in accordance with the InvIT Regulations.
- (ix). The Auditor 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 Auditors and shall be accompanied by a report of the Auditors in such manner and at such intervals as may be prescribed under applicable law, including the InvIT Regulations;
 - (b). 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 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.
- (x). The Investment Manager, in consultation with the Trustee, shall have the right to take all necessary steps to remove the Auditor 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 valuer of the Trust

- (i). 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. A 'Valuer' shall have the meaning provided under the InvIT Regulations.
- (ii). The remuneration of the Valuer shall not be linked to or based on the value of the assets being valued.
- (iii). The Valuer shall not be an associate of any of the sponsors or the Investment Manager or Trustee.
- (iv). 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.
- (v). A 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.
- (vi). 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.
- (vii). 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:
 - a. invest in units of the Trust or in the assets being valued; and
 - b. 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;
 - (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.
- (viii). The Investment Manager in consultation with the Trustee shall have the right to take all necessary steps to remove the Valuer who ceases to comply with the eligibility criteria required under the InvIT Regulations and/ or applicable law. If the removal of the 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 the Valuer shall be approved by the Unitholders 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 or to be implemented by the Investment Manager and the Initial Portfolio Assets, as applicable and as specified in this section.

Investment Manager

Sustainable Energy Infra Investment Managers Private Limited is the investment manager of the Trust. For further details on the background of the Investment Manager, please see the section entitled “Parties to the Trust – The Investment Manager” on page 114.

Board of Directors

Composition of the Board of Directors of the Investment Manager

In addition to the applicable provisions of the Companies Act and Listing Regulations (as applicable), the composition of the IM Board shall adhere to the following:

- (i). the IM Board shall comprise of at least 6 directors;
- (ii). Not less than 50% of the IM Board shall comprise independent directors, who are not directors or members of the governing board of an investment manager of another InvIT registered under the InvIT Regulations. The IM Board shall also have not less than one woman independent director. The other directors shall be appointed in accordance with the provisions of the Companies Act and the Listing Regulations;
- (iii). The chairman, if any, of the board of directors should be a non-executive director;
- (iv). the independence of directors shall be determined in accordance with the InvIT Regulations and other applicable law; and
- (v). collective experience of the directors should cover a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), including development, investment/fund management or advisory and financial matters.

For details of the current composition of the board of directors, please see the section entitled “Parties to the Trust – The Investment Manager – Sustainable Energy Infra Investment Managers Private Limited – Board of Directors of the Investment Manager” on page 115.

Quorum

The quorum shall be one-third of the total strength of the board of directors or three directors, whichever is higher, including at least one independent director.

Frequency of meetings

The IM Board should meet at least four times every year, with a maximum gap of 120 days between any two meetings. Additionally, the IM Board shall meet prior to any meeting of the Unitholders and approve the agenda for Unitholders’ meetings.

Sitting fee

The independent directors of the Investment Manager will receive sitting fee for attending board meetings and meetings of the committees, in accordance with the provisions of the Companies Act, the Nomination and Remuneration Policy (“NR Policy”), and other applicable law. For further details in relation to the NR Policy, please refer to the section entitled “Corporate Governance – Policies of the Board of Directors of the Investment Manager in relation to the Trust – Nomination and Remuneration Policy” on page 145.

Articles of Association of the Investment Manager

The articles of association should not include any affirmative rights for the Sponsors in relation to the Trust.

Committees of the board of directors

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
Nomination and	The Nomination and Remuneration Committee shall consist of at least three	Sumit Dayal, Priya	The quorum shall be either two members	The nomination and remuneration committee

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
Remuneration Committee	independent directors. The chairperson of the committee should be an independent director and shall not be the chairperson on the IM Board. The company secretary shall act as the secretary to the nomination and remuneration committee.	Subbaraman and Sadashiv S. Rao	or one third of the members of the committee, whichever is greater.	shall meet at least once in a year or as necessary.
Audit Committee	<p>The audit committee shall consist of at least three directors and shall have a maximum of four directors. At least two-thirds of the members of audit committee shall be independent directors. The non-independent director members of the audit committee shall retire annually by rotation. The chairperson of the audit committee should be an independent director. All members of the audit committee should be financially literate and at least one member should have accounting or related financial management expertise, in accordance with the Listing Regulations. The company secretary shall act as the secretary to the audit committee.</p> <p>The audit committee at its discretion shall invite the finance director or head of the finance function, head of internal audit and a representative of the statutory auditor and any other such executives to be present at the meetings of the committee.</p>	Sadashiv S. Rao, Sumit Dayal, Debapratim Hajara and Puneet Renjhen	The quorum shall either be two members or one third of the members of the audit committee, whichever is greater, including at least two independent directors in attendance.	The audit committee should meet at least four times every year, with a maximum gap of 120 days between any two meetings.
Stakeholders Relationship Committee	The stakeholders' relationship committee shall consist of at least three directors and shall have a maximum of four directors. At least two-thirds of the members of the committee shall be independent directors. The chairperson of the stakeholders' relationship committee shall be an independent director.	Priya Subbaraman, Sumit Dayal, Puneet Renjhen and Debapratim Hajara	The quorum shall either be two members or one third of the members of the committee, whichever is greater, including at least one independent director in attendance.	The stakeholders relationship committee shall meet at least once in a year.
Risk Management Committee	The risk management committee shall consist of at least three members. A majority of the members of the committee shall be directors on the IM Board and senior executives of the Investment Manager may be members of the risk management committee. The chairperson of this committee shall be a director on the board. At least one member of the committee shall be an independent director.	Sadashiv S. Rao, Priya Subbaraman, Debapratim Hajara and Puneet Renjhen	The quorum shall either be two members or one third of the members of the committee, whichever is greater, including at least one members of the board in attendance.	The risk management committee should meet at least twice every year, with a maximum gap of 180 days between any two consecutive meetings.
Investment Committee	The investment committee shall consist of five members, such that each shareholder of the Investment Manager shall have a right to nominate 1 (one) shareholder director for every 15% (fifteen percent) of the share capital held by such shareholder of the Investment Manager, subject to a maximum of 3 (three) directors being nominated by any shareholder of the Investment Manager.	Bruce Crane, Puneet Renjhen and Debapratim Hajara	The quorum shall be on representative of each shareholder of the Investment Manager holding at least 15% of the outstanding equity share of the Investment Manager.	The investment committee shall meet at least twice in a year.
InvIT Committee	-	Puneet Renjhen and Debapratim Hajara	The quorum shall be any 2 members present	The InvIT shall meet at the request of the members, as required

For details of the scope of each committee, please see below.

Nomination and Remuneration Committee

Terms of reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee include, amongst others, the following:

- (i). formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the IM Board a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- (ii). for every appointment of an independent director, evaluation of the balance of skills, knowledge and experience on the IM Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the IM Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Nomination and Remuneration Committee may:
 - a. use the services of external agencies, if required;
 - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
 - c. consider the time commitments of the candidates.
- (iii). formulation of criteria for evaluation of performance of independent directors and the board of directors;
- (iv). devising a policy on diversity of board of directors;
- (v). identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the IM Board their appointment and removal;
- (vi). making all decisions in relation to appointment or replacement or removal of directors on the board of directors of the SPVs and Holding Companies;
- (vii). determine whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors; and
- (viii). recommend to the board, all remuneration, in whatever form, payable to senior management (if any).

Audit Committee

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee include, amongst others, the following:

- (i). providing recommendations to the IM Board regarding any proposed distributions, in line with the distribution policy;
- (ii). oversight of the Trust's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (iii). giving recommendations to the IM Board regarding for appointment, re-appointment and replacement, remuneration and terms of appointment of statutory auditors of the Trust and the audit fee, subject to the approval of the Unitholders;
- (iv). approval of payment to statutory auditors for any other services rendered by the statutory auditors of the Trust;
- (v). reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the IM Board for approval, with particular reference to:
 - a. matters required to be included in the director's responsibility statement to be included in the IM Board's report of Investment Manager in terms of clause (c) of sub-section (3) of Section 134 of Companies Act 2013;
 - b. changes, if any, in accounting policies and practices and reason for the same;
 - c. major accounting entries involving estimates based on exercise of judgment by management;
 - d. significant adjustments made in the financial statements arising out of audit findings;
 - e. compliance with listing and other legal requirements relating to financial statements;
 - f. disclosure of any related party transactions; and
 - g. modified opinion(s) in the draft audit report;
- (vi). 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;
- (vii). 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 placement 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;
- (viii). reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- (ix). approval or any subsequent modification of all transactions of the Trust with related parties;
- (x). recommending such related party transactions to the IM Board or the Unitholders, as may be required under the InvIT Regulations;
- (xi). scrutiny of loans including inter-corporate loans and investments of the Trust;
- (xii). reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;
- (xiii). evaluation of internal financial controls and risk management systems of the Trust;
- (xiv). reviewing, with the management, performance of statutory auditors of the Trust, adequacy of the internal control systems, as necessary;
- (xv). reviewing the adequacy of internal audit function, if any, 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;
- (xvi). discussion with internal auditors of any significant findings and follow up thereon;
- (xvii). 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;
- (xviii). 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;
- (xix). discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;
- (xx). reviewing and monitoring the independence and performance of the valuer of the Trust;
- (xxi). to look into the reasons for substantial defaults in the payment to the depositors, debenture holders and creditors;
- (xxii). evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to the Holding Companies and by the Holding Companies to the Trust and payments to any creditors of the Trust or the Holding Companies or the SPVs, and recommending remedial measures;
- (xxiii). to review the functioning of the whistle blower mechanism;
- (xxiv). approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (xxv). reviewing the utilization of loans and/ or advances from/investment by the Holding Company in the SPV exceeding INR 100 (India Rupees One Hundred Crore) crore or 10% (ten per cent) of the asset size of the SPV, whichever is lower;
- (xxvi). approving any management information systems or interim financial statements to be submitted by the Trust to any Unitholder or regulatory or statutory authority;
- (xxvii). considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Trust and its Unitholders;
- (xxviii). approving any reports required to be issued to the Unitholders under the InvIT Regulations;
- (xxix). formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.
- (xxx). valuation of undertakings or assets of the Trust, wherever it is necessary

The audit committee shall mandatorily review the following information:

- (i). management discussion and analysis of financial condition and results of operations;
- (ii). management letters / letters of internal control weaknesses issued by the statutory auditors;

- (iii). internal audit reports relating to internal control weaknesses;
- (iv). the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and
- (v). the statement of deviations.

Stakeholders Relationship Committee

Terms of reference of the Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee shall include, amongst others, the following:

- (i). consider and resolve grievances of the unitholders, including complaints related to the transfer of units, non-receipt of annual report, general meetings and non-receipt of declared distributions;
- (ii). review of measures taken for effective exercise of voting rights by unitholders of the Trust;
- (iii). review of adherence to the service standards adopted by the Trust in respect of various services being rendered by the registrar and unit transfer agent;
- (iv). review of the various measures and initiatives taken by the Trust for ensuring timely receipt of distributions/annual reports/statutory notices by the Unitholders of the Trust;
- (v). update Unitholders on acquisition / sale of assets by the Trust and any change in the capital structure of the Holding Companies or the SPVs;
- (vi). review of any litigation related to Unitholders' grievances and reporting specific material litigation related to Unitholders' grievances to the IM Board; and
- (vii). approve report on investor grievances to be submitted to the Trustee.

Risk Management Committee

Terms of reference of the Risk Management Committee

The terms of reference of the Risk Management Committee include, amongst others, the following:

- (i). formulation of a detailed risk management policy, which will include:
 - a. a framework for identification of internal and external risk specifically faced by the Trust in particular, including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the risk management committee;
 - b. measures for risk mitigation including systems and processes for internal control of identified risks; and
 - c. business continuity plan;
- (ii). to ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Trust;
- (iii). to monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (iv). periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (v). to keep the IM Board informed about the nature and content of its discussions, recommendations and actions to be taken;
- (vi). the appointment, removal and terms of remuneration of the chief risk officer, if any, shall be subject to review by the Risk Management Committee; and
- (vii). to Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the IM Board.

Investment Committee

Terms of reference of the Investment Committee

The terms of reference of the Investment Committee shall include, amongst others, the following:

- (i). reviewing investment decisions with respect to the underlying assets or projects of the Trust from the Sponsors including any further investments or divestments to ensure protection of the interest of unitholders including, investment decisions, which are related party transactions;
- (ii). approving any proposal in relation to acquisition of assets, further issue of Units including in relation to acquisition or assets; and
- (iii). formulating any policy for the Investment Manager, as necessary, in relation to its functions, as specified above.

InvIT Committee

Terms of reference of the InvIT Committee

The terms of reference of the InvIT Committee shall include, amongst others, the following:

- (i). To approve and file, where applicable, the draft placement memorandum, placement memorandum and final placement memorandum to be filed with SEBI and the stock exchanges and to make necessary amendments or alterations, therein in relation to the Offer;
- (ii). To decide on the timing, pricing and all the terms and conditions of the Offer, including the pricing, allotment, etc. and to accept any amendments, modifications, variations or alterations thereto;
- (iii). To approve and adopt the necessary governance policies for the Trust as required under InvIT Regulations;

Policies of the Board of Directors of the Investment Manager in relation to the Trust

The Investment Manager has adopted, amongst others the following policies, in relation to management of the Trust and all assets of the Trust:

A. Borrowing Policy

The Investment Manager has adopted a borrowing policy pursuant to a resolution of the IM Board dated September 26, 2023, in relation to Trust (“**Borrowing Policy**”). The Investment Manager shall ensure that all funds borrowed by the Trust or in relation to the Trust are in compliance with the InvIT Regulations, applicable prudential norms and other applicable law. Accordingly, the IM Board 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:

- (i). The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations.
- (ii). In the event the aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) of the Trust, holding companies and the SPVs, 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.
- (iii). The Trust may raise debt and avail borrowings and deferred payments from time to time, including through (i) issuance of debt securities, in the manner specified by the SEBI, and in accordance with applicable law, and (ii) availing loans from banks and financial institutions in accordance with applicable law (including the InvIT Regulations). 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 the IM Board or such other committee of the IM Board as may be constituted in this regard. The Investment Manager may engage such intermediaries (include any other group companies of the Investment Manager) as may be necessary to facilitate the borrowings in relation to the Trust, holding companies or SPVs at such remuneration as may be reasonable and at arm’s length.
- (iv). The Trust also has the power to create 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.

- (v). Except with prior approval of the Unitholders and the 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.

B. Policy in relation to Related Party Transactions

The Investment Manager has adopted a policy in relation to related party transactions (“**RPT Policy**”) pursuant to a resolution of its board of directors on September 26, 2023. For details of the RPT Policy, please see the section entitled “*Related Party Transactions*” on page 295.

C. Distribution Policy

The Investment Manager has adopted a distribution policy in relation to Trust (“**Distribution Policy**”) pursuant to a resolution of its board of directors on September 26, 2023. For details of the Distribution Policy, please see the section entitled “*Distribution*” on page 270.

D. Policy on Appointment of Auditor and Valuer

The Investment Manager has adopted a policy on appointment of auditor and valuer (“**Appointment Policy**”) pursuant to a resolution of its board of directors on September 26, 2023. For details of the Appointment Policy in relation to the Trust, please see the section entitled “*Other Parties involved in the Trust – Policy on appointment of Auditor and Valuer*” on page 133.

E. Policy on unpublished price-sensitive information and dealing in units by the parties to Trust (the “UPSI Policy”)

The Investment Manager has adopted the UPSI Policy pursuant to a resolution of the IM Board on September 26, 2023. The purpose of the policy is to ensure that Trust and the Investment Manager comply with applicable laws, including the InvIT Regulations, as amended or supplemented or such other 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 policy for determining materiality of information;
- (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 policy for determining materiality of information. 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 an any person authorised by the IM 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; and
- (vi). The Investment Manager shall handle all UPSI on a “need to know” basis, provided that UPSI may be disclosed to persons (including but not limited to, any designated person, partners, collaborators, lenders, customers, suppliers, bankers etc.) who need such information for furtherance of legitimate purposes, performance of duties or discharge of legal obligations in relation to the Trust.

F. Policy for Determining Materiality of Information for Periodic Disclosures (the “Materiality of Information Policy”)

The Investment Manager has adopted the Materiality of Information Policy pursuant to a resolution of the IM Board on September 26, 2023, in relation to the Trust. The Materiality of Information Policy aims to outline process and procedures for determining materiality of information in relation to periodic disclosures on Trust’s website, to the Trustee, stock exchanges and to all stakeholders at large, in relation to 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). The Investment Manager or the Trustee shall provide to SEBI and to the Stock Exchange, wherever applicable, such information as may be sought by SEBI or by the Stock Exchange pertaining to the activities of the Trust.
- (iii). The Trust shall also submit such information to the Designated Stock Exchange 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, Unitholders and SEBI, in the manner as may be specified by SEBI.
- (iv). The Materiality of Information Policy also provides for the approval process for disclosure or dissemination of any material or unpublished price sensitive information on behalf of the Trust shall be marked to the compliance officer or to any other person authorised by the IM Board to make the disclosures, as may be required.

G. Document Archival Policy (“Archival Policy”)

The Investment Manager has adopted the Document Archival Policy as per applicable laws and regulations and pursuant to a resolution of the IM Board dated September 26, 2023, in relation to Trust, in accordance with applicable laws. The document archival policy aims to provide a comprehensive policy on the preservation and conservation of the records and documents of the Trust. It provides guidance on the preservation and management of documents to help ensure the authenticity, reliability and accessibility of such documents. The policy aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records. It stipulates the duration and manner in and place at which records and documents of the Trust shall be preserved.

H. Code of Conduct (the “Code”)

The Investment Manager has adopted the Code pursuant to a resolution of its board of directors dated September 26, 2023, in relation to the Trust and conduct of the Trust and the Parties to the Trust.

The key principles of the Code are set out below:

- (i). the Trust and the Parties to the Trust shall conduct all affairs of the Trust in the interest of all the Unitholders of the Trust;
- (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 exchanges 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). 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;
- (v). the Investment Manager shall carry out the business of the Trust and invest in accordance with the Investment Objectives (as disclosed in this Draft Placement Memorandum, and the Placement Memorandum) and take investment decisions solely in the interest of Unitholders;
- (vi). 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;
- (vii). 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;
- (viii). The employees of the Trust and the Parties to the Trust shall not accept or offer gifts to past, current or prospective Unitholders of the Trust unless in accordance with the policies adopted by the Investment Manager, on behalf of the Trust;
- (ix). The Compliance Officer of the Trust shall ensure compliance in relation to anti-bribery and anti-corruption laws at all times. Further, the Compliance Officer shall not personally engage in or ignore any instance of someone

paying or receiving any bribe or facilitation payment on behalf of any of the Parties of the Trust. Additionally, any instance of potential bribery or corruption shall be immediately reported to the Compliance Officer;

- (x). 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;
- (xi). 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;
- (xii). The employees of the Parties to the Trust shall avoid any action or behaviour that could be viewed as harassment. In case of any complain of sexual harassment, the relevant Party to the Trust shall put in place a process to appropriately, sensitively and expeditiously deal with it. Strict disciplinary action will be taken against any employee found guilty of any kind of sexual harassment; and
- (xiii). The employees of the Parties to the Trust shall respect the intellectual property rights of others and never infringe them. Further, the employees should be cautious while preparing advertising and promotional materials using the name or logo of any of the Parties to the Trust. The employees shall ensure that only licensed software should be used on Trust's and Parties to the Trust's electronic devices.

I. Acquisition Policy

The Investment Manager has adopted an acquisition policy pursuant to a resolution of its board of directors dated September 26, 2023, in relation to the future investments and acquisitions of the Trust ("**Acquisition Policy**"). The Acquisition Policy aims to ensure that all investment decisions in relation to the Trust are in accordance with applicable law, including the InvIT Regulations and the investment strategy of the Trust as specified under the Trust Deed and the Acquisition Policy. As per the Acquisition Policy, the Investment Manager shall be responsible for overseeing loans and investments of the Trust, including, (a) reviewing investment decisions with respect to the underlying assets or projects of the Trust, along with decisions in relation to further investments or divestments (b) considering any proposal for acquisition of assets (either directly or through a committee) and (c) such other acts as may be required for implementation of the investment strategy of the Trust.

J. Nomination and Remuneration Policy ("NR Policy")

The Investment Manager has adopted the NR Policy pursuant to a resolution of its board of directors on September 26, 2023. The NR Policy aims to provide a framework for nomination and remuneration of members of the IM Board, its key managerial personnel, senior management personnel and other employees of the Investment Manager. The key terms of the NR Policy are set out below:

- (i). The NR Policy reflect the remuneration philosophy and principles of the Investment Manager and the Trust, and consider the pay and employment conditions with peers / competitive market to ensure that pay structures are appropriately aligned.
- (ii). The remuneration, commission or compensation of the independent directors of the Investment Manager will be paid by way of sitting fees and commission. This remuneration will be determined by the Nomination and Remuneration Committee and recommended to the IM Board for its approval, subject to considerations under applicable law.
- (iii). No remuneration, commission or compensation, other than reimbursements for out of pocket expenses, shall be payable by the Investment Manager to the non-independent directors.
- (iv). The Investment Manager's total compensation for its managerial personnel will consist of:
 - a. fixed compensation;
 - b. variable compensation in the form of short term and long term incentives;
 - c. work related facilities and perquisites; and
 - d. perquisites and benefits.
- (v). Employees of the Investment Manager will also be eligible for work related facilities and perquisites as may be determined through human resources policies issued from time to time based on the grade of the employee.

K. Policy on Code of Conduct for Board of Directors and Senior Management Personnel (the "Coc")

The Investment Manager has adopted the CoC pursuant to a resolution of the IM Board dated September 26, 2023, for all members of board of directors and senior management personnel of the Investment Manager. The senior management personnel of the Investment Manager shall include officers and personnel of the Investment Manager who are members

of its core management team, excluding the IM Board, and shall also comprise all members of management, one level below the chief executive officer or managing director or whole time director or manager (including chief executive officer or manager, in case they are not part of the IM Board) and shall specifically include the compliance officer and chief financial officer, as applicable (“**Senior Management Personnel**”).

The key terms of the CoC are set out below:

- (i). The CoC enables the Investment Manager to publicly state to the external stakeholders of the Trust (suppliers, customers, consumers, Unitholders, etc.), the way in which they intend to carry out their business and their business in relation to the Trust.
- (ii). In accordance with the CoC, the IM Board and Senior Management Personnel should:
 - a. demonstrate the highest standards of integrity, business ethics, and corporate governance;
 - b. perform their roles with competence, diligence, in good faith and in the best interests of the Trust and the Unitholders of the Trust;
 - c. provide expertise and experience in their areas of specialization and share learnings at the meetings of the IM Board with best interests of the Trust and its stakeholders along with the Unitholders in mind. They should point the Investment Manager’s management in the ‘right’ direction based on their experience and judgement;
 - d. give careful and independent consideration to the affairs of the Investment Manager and the Trust and all documents placed before them to satisfy themselves with the soundness of key decisions taken by the management. They should call for additional information, where necessary, for making such judgements;
 - e. not engage in any business, relationship or any activity which detrimentally conflicts with the interest of the Trust or bring discredit to the Investment Manager or the Trust. Any situation that creates a conflict of interest between personal interests and the Trust or its Unitholders’ interest must be avoided at all costs;
 - f. follow all the guidelines put forth in the policy for prevention of insider trading;
 - g. not disclose any confidential / privileged information of the Investment Manager or the Trust and should direct any media queries or approaches to the appropriate spokesperson within the Investment Manager;
 - h. not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates; and
 - i. not make any exaggerated statement, whether written or oral, either about their qualification or capabilities or experience.
- (iii). The CoC also sets out the duties of the independent directors on the IM Board, including, amongst others, (a) undertaking appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Investment Manager and the Trust; (b) seeking appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Trust; and (c) striving to attend all meetings of the IM Board and of the committees of the IM Board, of which the independent director(s) is a member.

All members of the IM Board and Senior Management Personnel shall affirm compliance with the CoC on an annual basis.

L. Policy on Familiarisation Program for Independent Directors (“Familiarization Policy”)

The Investment Manager has adopted the Familiarization Policy pursuant to a resolution of its board of directors on September 26, 2023. The key terms of the Familiarization Policy are set out below:

- (i). The Investment Manager shall conduct orientation programmes / presentations / training sessions, periodically at regular intervals, to familiarize the independent directors with the strategy, operations and functions of the Trust.
- (ii). Such orientation programmes / presentations / training sessions will provide an opportunity to the independent directors to interact with the senior leadership team of the Investment Manager and help them to understand the Investment Manager’s and Trust’s strategy, business model, structure, operations, service and product offerings, markets, organization structure, finance, human resources, technology, quality, facilities, risk management strategy, governance policies, designated channels for flow of information and such other areas as deemed necessary.
- (iii). The programmes / presentations shall also familiarize the independent directors with their roles, rights and responsibilities.
- (iv). The Investment Manager may include such other details and information, as required, during the introductory familiarization programme / presentation, when a new independent director comes on the IM Board.
- (v). The Investment Manager may periodically review this Programme and make suitable revisions, as may be deemed

necessary, from time to time.

- (vi). The Programme will be conducted at least once in a year on an “as needed” basis and will be disclosed on the website of the Trust and a web link thereto shall also be given in the annual report of the Trust.

M. Vigil Mechanism and Whistle Blower Policy (“Whistleblower Policy”)

The Investment Manager has adopted the Whistleblower Policy pursuant to a resolution of its board of directors on September 26, 2023. The key terms of the Whistleblower Policy are set out below:

- (i). Any communication made in good faith that discloses or demonstrates information that may evidence unethical or improper activity or violations of law or policies of the Trust or the Investment Manager, (“**Protected Disclosure**”) should be made by the relevant whistle-blower (“**Whistleblower**”) to the Compliance Officer.
- (ii). Protected Disclosure should be in writing so as to ensure a clear understanding of the issues raised and should be either typed or written in legible writing in English, Hindi or a regional language. The protective disclosure or reporting can also be made by electronic mail.
- (iii). Protected Disclosure should be forwarded with a cover letter which shall bear the identity of the Whistleblower.
- (iv). Protected Disclosure should be factual and not speculative and should contain as much specific information as possible in order to allow proper investigation.
- (v). The Whistleblower is not required or expected to conduct any investigation and shall not have the right to participate in any investigation conducted by the Compliance Officer in relation to Protected Disclosure made by such Whistleblower.
- (vi). The Compliance Officer, on finding the Protected Disclosure to be proper, shall forward the details of the Protected Disclosure to the empowered committee. The Compliance Officer, on finding the Protected Disclosure to be improper, shall reject the complaint, with a report in this regard to the empowered committee and such report shall comprise the grounds and rationale for rejecting the complaint made by the Whistleblower.
- (vii). The empowered committee may categorize the Protected Disclosure as follows:
 - a. *Genuine*: The allegations shall be genuine in the event it is substantially proven against the Subject. The Empowered Committee shall initiate actions against the Subject in case of genuine complaints.
 - b. *Could not be proven*: The allegations that could not be proven due to lack of evidence, incomplete information, lapse of substantial time between occurrence of the event and complaint or any other reason shall be categorized as ‘could not be proven’. The empowered committee shall not take any action in case of complaints which could not be proven.
 - c. *False alarms*: The allegations that are investigated and are proven ‘false’ shall be categorized as false alarms. In the event that the empowered committee determines that the complaint was made with malicious intent and if the identity of the Whistleblower is known or is traced by the empowered committee, it may decide appropriate penal action against such Whistleblower. It is clarified that protection under this Policy shall not mean protection from disciplinary action arising out of complaints that have been categorized as false alarms.
- (viii). The Investment Manager shall ensure that no Whistleblower who has made any Protected Disclosure is subjected to victimization by initiation of any proceedings or otherwise merely on the grounds that such Whistleblower had made any Protected Disclosure or rendered assistance in any inquiry.
- (ix). If any Whistleblower is being victimized or likely to be victimized on the ground of making any Protected Disclosure, filing a complaint or rendering assistance in any inquiry pursuant to the Protected Disclosure made by such Whistleblower, such Whistleblower may file an application to the chairman, managing director or the chairperson of the Audit Committee of the Investment Manager directly, seeking redress in the matter and such authority shall take such action as it deems fit and may give suitable directions to protect the Whistleblower being victimized and avoid any further victimization.
- (x). Every effort will be made to protect Whistleblowers’ identity and under no circumstances shall such identity be discussed with any unauthorized person. Utmost care should be taken by the Compliance Officer that the Protected Disclosure made by any Whistleblower is kept confidential and identity of the Whistleblower is not revealed. In case any such information is disclosed, necessary action shall be taken against the concerned employee making such disclosure.

- (xi). The Investment Manager may engage an independent service provider for providing or operating the vigil mechanism who shall report to the audit committee of the Investment Manager.

N. Policy for Evaluation of the Performance of the Board of Directors

The Investment Manager has adopted the policy for evaluation of the performance of the IM Board pursuant to a resolution of its board of directors dated September 26, 2023, to formulate and provide a performance evaluation mechanism for the members of the IM Board.

O. Policy on Succession Planning for Board And Senior Management Personnel (“Succession Policy”)

The Investment Manager has adopted the Succession Policy pursuant to a resolution of its board of directors on September 26, 2023. The purpose of the Succession Policy is to provide a framework for succession planning of the non-independent directors, independent directors and other members of the Board and senior management of the Investment Manager. The key terms of the Succession Policy are set out below:

- (i). The objectives of the Succession Policy are, *inter alia*, as under:
 - a. To identify and nominate suitable candidates for the board of director’s approval to fill vacancies which may arise in the Board from time to time;
 - b. To identify the competency requirements of critical and key positions, assess potential candidates and develop required competency through planned development and learning initiatives;
 - c. To identify the key job incumbents in senior management positions and recommend whether the concerned individual be granted an extension in term/service or be replaced with an identified internal or external candidate or recruit other suitable candidate(s); and
 - d. To ensure the systematic and long-term development of individuals in the senior management level to replace as and when the need arises due to deaths, disabilities, retirements, and other unexpected occurrence.
- (ii). The Nomination and Remuneration Committee shall review the leadership and management needs of the Investment Manager from time to time. The Nomination and Remuneration Committee shall assess the suitability of a person who is being considered for appointment as a director of the Investment Manager, based on his / her educational qualification, experience, expertise and track record and shall recommend to the IM Board, the terms and conditions of his/her appointment, including remuneration.
- (iii). The Nomination and Remuneration Committee may, at its discretion, recommend to the IM Board, appointment of suitable candidate(s) in senior management level with a view to ensure a continuous availability of managerial talent at senior levels to meet the organizational needs.
- (iv). The recommendations of the Nomination and Remuneration Committee shall be placed before the IM Board for approval. The senior management team shall always strive to develop in-house capabilities by enriching work exposure.

P. Risk Management Policy (“RM Policy”)

The Investment Manager has adopted the RM Policy pursuant to a resolution of its board of directors on September 26, 2023. The RM Policy aims to provide a framework for identification and management of risks associated with the business of the Trust. The key terms of the RM Policy are set out below:

- (i). *Principles of risk management:*

The risk management committee shall provide reasonable assurance in protection of business value of the Trust from uncertainties and consequent losses.

- (ii). *General:*

Risk management process includes four activities:

- a. Risk identification;
- b. Risk assessment;
- c. Risk mitigation and monitoring; and
- d. Reporting.

- (iii). *Risk identification:*

The purpose of risk identification is to identify internal and external risks specifically faced by the Trust, in particular including financial, operational, sectoral, sustainability (particularly, environment, social and governance related risks), information, personnel, reputational, regulatory, technology, political, litigation, cyber security risks or any other risk as may be determined by the risk management committee and identify all other events that can have an adverse impact on the achievement of the business objectives. All Risks identified are documented in the form of a risk register. The risk register incorporates risk description, category, classification, mitigation plan, responsible function / department.

(iv). *Risk assessment:*

Assessment involves quantification of the impact of Risks to determine potential severity and probability of occurrence. Each identified risk is assessed on two factors which determine the risk exposure:

1. Impact if the event occurs
2. Likelihood of event occurrence

Risk Categories: It is necessary that risks are assessed after taking into account the existing controls, so as to ascertain the current level of risk. Based on the above assessments, each of the risks can be categorized as – low, medium and high.

(v). *Risk mitigation:*

All identified risks should be mitigated using any of the following risk mitigation plans:

- a. Risk avoidance: by not performing an activity that could carry risk. Avoidance may seem the answer to all risks but avoiding risks also means losing out on the potential gain that accepting (retaining) the risk may have allowed;
- b. Risk transfer: mitigation by having another party to accept the risk, either partial or total, typically by contract or by hedging / insurance;
- c. Risk reduction: Employing methods/solutions that reduce the severity of the loss; and
- d. Risk retention: Accepting the loss when it occurs. Risk retention is a viable strategy for small risks where the cost of insuring against the risk would be greater than the total losses sustained. All risks that are not avoided or transferred are retained by default.

(vi). *Monitoring and reviewing risks:*

The risk management committee shall formulate the policies for effective identification, monitoring, mitigation of the risks. The secretary of the Risk Management Committee shall maintain the risk register. Internal audit committee reviews the risk register once a year and adds any new material risk identified to the existing list. These will be taken up with respective functional head for its mitigation. Existing process of risk assessment of identified risks and its mitigation plan will be appraised by the risk management committee to the IM Board on an annual basis.

Q. Policy to Promote Diversity of Board of Directors (“Diversity Policy”)

The Investment Manager has adopted the Diversity Policy pursuant to a resolution of its board of directors dated September 26, 2023. The key terms of the Diversity Policy are set out below:

- (i). The Nomination and Remuneration Committee shall ensure that the IM Board shall have an optimum combination of non-independent, independent and woman directors in accordance with requirements of the InvIT Regulations, Listing Regulations and other statutory, regulatory and contractual obligations of the Investment Manager and the Trust. The Board shall consist of not less than 1 woman independent director.
- (ii). The Investment Manager recognises the benefits of having a diverse Board and sees increasing diversity at Board level as an essential element in maintaining a competitive advantage. The Investment Manager believes that a truly diverse IM Board will leverage differences in thought, perspective, knowledge, skill, regional and industry experience, cultural and geographical background, age, ethnicity and gender, which will ensure that the Trust, retains its competitive advantage. The Investment Manager further believes that a diverse IM Board will contribute towards driving business results, make corporate governance more effective, enhance quality and responsible decision-making capability, ensure sustainable development and enhance the reputation of the Trust.
- (iii). The Nomination and Remuneration Committee shall review the profile of the prospective candidates for appointment as a director on the IM Board taking in consideration knowledge, experience, financial literacy / expertise, global market awareness and other relevant factors as may be considered appropriate and the IM Board

shall be so formulated with mix of members to maintain high level of ethical standards. The Nomination and Remuneration Committee shall also take into consideration the provisions of the InvIT Regulations, Listing Regulations and other statutory, regulatory and contractual obligations of the Investment Manager.

R. *Anti-bribery and Anti-corruption Policy (“ABAC Policy”)*

The Investment Manager has adopted the ABAC Policy pursuant to a resolution of its board of directors dated September 26, 2023. The ABAC Policy is adopted by the Investment Manager (on behalf of the Trust) to provide a framework which ensures (i) that business dealings of the Trust are conducted with integrity, professionally and fairly; (ii) enforcement of effective systems to counter bribery and corruption in any form, (iii) that those working for the Trust are provided with information and guidance on how to recognize and deal with bribery and corruption issues and (iv) to ensure that the Trust is in compliance with all applicable anti-bribery and anti-corruption laws in all markets and jurisdictions in which the Trust operates. Under the ABAC Policy, Trust (acting through the Investment Manager) mandates compliance with all applicable anti-bribery and anti-corruption laws in all markets and jurisdictions in which it operates

S. *Anti-Money Laundering / Combating The Financing Of Terrorism Policy (“AML Policy”)*

The Investment Manager has adopted the AML Policy pursuant to a resolution of its board of directors dated September 26, 2023. The AML Policy is adopted by the Investment Manager (on behalf of the Trust) to provide a framework and set out a governance for anti-money laundering and combating of terrorism in relation to the operations of the Trust. As per the AML Policy, the Investment Manager, will institute, document, maintain and comply with policies, procedures, systems and controls, consistent with its respective business and investment profiles, to identify and manage integrity and anti-corruption compliance risks in relation to the activities undertaken by the Investment Manager with respect to the Trust.

T. *Environmental, Social and Governance Policy (“ESG Policy”)*

The Investment Manager has noted the ESG Policy pursuant to a resolution of its board of directors dated September 26, 2023. The ESG Policy will be adopted by the Investment Manager (on behalf of the Trust), in due course, to provide a framework for the Trust and its Portfolio Assets to conduct their business and operations in compliance with all environmental, social and labour laws.

Initial Portfolio Assets

Representatives on the Board of Directors of the Initial Portfolio Assets

The Investment Manager, in consultation with the Trustee, shall appoint the majority of the members of the board of directors of each of the Initial Portfolio Assets, in accordance with the requirements prescribed under the InvIT Regulations.

INDUSTRY OVERVIEW

The information contained in this section is derived from the CRISIL Report. The information contained in the CRISIL Report has been obtained by CRISIL from sources believed by it to be reliable. The information contained herein was prepared expressly for use herein and was based on certain assumptions and information available at the time the CRISIL Report was prepared. As with any attempt to estimate future events, the forecasts, conclusions, and other information included herein are subject to certain risks and uncertainties, and are not to be considered guarantees of any particular outcome. The CRISIL Report, in part or in whole, is not intended to constitute investment advice, and is not a recommendation to purchase or not purchase, an endorsement of, or an opinion as to the value of, any security or any investment instrument of any entity. The CRISIL Report is not a comprehensive evaluation of the industry, the Trust or the Units and all material within the CRISIL Report should be deemed as expressions of opinion which are subject to change without notice. All references to years refer to calendar years except as otherwise stated. References to Indian financial years are to the one year period ending March 31 of the named year.

Overview of India's macroeconomy

Economic indicators

As per data released by the National Statistical Office (NSO) in May 2023, India's gross domestic product (GDP) at constant (fiscal 2012) prices was estimated at Rs 160.06 lakh crore in fiscal 2023 vis-à-vis the first revised estimate (RE) for fiscal 2022 of Rs 149.26 lakh crore, which translated into a growth of 7.2%. This was slower than the 9.1% growth in fiscal 2022. However, India has overtaken the United Kingdom's economy in terms of size, making it the fifth biggest. In fact, India's GDP growth is estimated to be the highest amongst the top 10 economies.

Table 2: GDP trajectory (% change)

At basic prices	FY18	FY19	FY20	FY21	FY22	FY23 E	At market prices	FY18	FY19	FY20	FY21	FY22	FY23E
									GDP	6.8%	6.5%	3.9%	-5.8%
Agriculture	6.6%	2.1%	5.5%	3.3%	3.5%	4.0%	Private consumption	6.2%	7.1%	5.2%	-6.0%	11.1%	7.5%
Industry	5.9%	5.3%	-1.4%	-3.3%	14.8%	10.0%	Govt. consumption	11.9%	6.7%	3.4%	3.6%	6.6%	0.1%
Manufacturing	7.5%	5.4%	-2.9%	-0.6%	11.1%	1.3%	Fixed investment	7.8%	11.2%	1.6%	-	10.4%	14.6%
Mining and quarrying	-5.6%	-0.8%	-1.5%	-8.6%	7.1%	4.6%	Exports	4.6%	11.9%	-3.4%	-9.2%	29.3%	13.6%
Services	6.3%	7.2%	6.3%	-7.8%	9.7%	7.2%	Imports	17.4%	8.8%	-0.8%	-	13.8%	21.8%

E: Estimated

Source: NSO, CEIC, CRISIL Consulting

On demand side, private final consumption expenditure growth slowed same with imports and export growth whereas on supply side manufacturing fell; however, services, agriculture and construction improved.

Table 3: Agriculture & manufacturing; investment & net exports spearhead GDP growth in fourth quarter of FY23

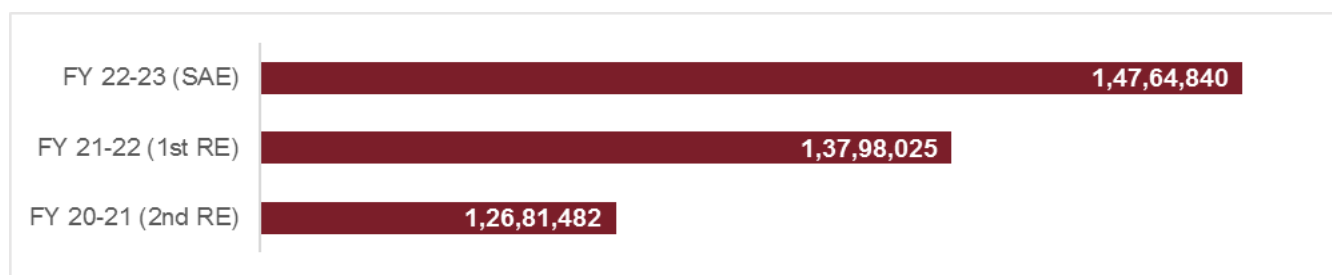
Particulars	Demand Side		Particulars	Supply Side	
	Q3 FY23	Q4 FY23		Q3 FY23	Q4 FY23
GDP	4.5%	6.1%	GVA	4.7%	6.5%
GFCE	-0.6%	2.3%	Manufacturing	-1.4%	4.5%
PFCE	2.2%	2.8%	Public Administration+	2.0%	3.1%
GFCF	8.0%	8.9%	Agri	4.7%	5.5%
Imports	10.7%	4.9%	Mining	4.1%	4.3%
Exports	11.1%	11.9%	Financial Services	5.7%	7.1%
			Electricity	8.2%	6.9%
			Construction	8.3%	10.4%
			THTC	9.6%	9.1%

Note: GFCE: Government final consumption expenditure, PFCE: Private final consumption expenditure; GFCF: Gross fixed capital formation; GVA: Gross value added; THTC refers to trade, hotels, transport, and communication services; financial services+ refers to financial, real estate and professional services; public administration+ refers to public administration, defence and other services

Source: NSO, CEIC, CRISIL Consulting

GVA performance

Figure 19: GVA at basic prices (Rs. crore)



RE: Revised estimates; SAE: Second advance estimates

Source: Ministry of Statistics and Programme Implementation, CRISIL Consulting

India's GDP recovered with subsiding of the pandemic

In the past 10 years (during fiscal 2014 to 2023), India's GDP at constant (fiscal 2012) prices grew at a compounded growth of ~5.6% (CAGR).

After the robust growth in fiscal 2023, CRISIL Consulting expects slowdown in this fiscal because of rising borrowing costs. External demand is expected to weaken with interest rates in the major advanced economies hitting the highest level in more than a decade. The rates are expected to peak in the fiscal, hitting both global and domestic demand. S&P Global expects the United States GDP growth to slow to 0.7% in 2023 from 2.1% in 2022 and that of Eurozone to 0.3% from 3.5%. These economies account for 33% of the goods exports from India.

The key factor is monsoon, which has a significant bearing on rural demand. While the India Metrological Department has forecast a normal monsoon, regional and temporal distribution will have a bearing on agricultural output. Further, expect downside risks from an El Niño. Overall, CRISIL Consulting expects India's real GDP to grow 6% in fiscal 2024, compared with 7.2% past fiscal. Nominal growth will see a sharper slowdown to 10.6% from 16.1%, with falling inflation (particularly wholesale) narrowing the gap between real and nominal GDP.

Table 4: CRISIL's key projections

	FY18	FY19	FY20	FY21	FY22	FY23E	FY24P
GDP growth (%)	6.8%	6.5%	3.9%	-5.8%	9.1%	7.2%	6.0%
CPI (% , average)	3.6%	3.4%	4.8%	6.2%	5.5%	6.7%	5.0%
CAD/GDP (%)	1.8%	2.1%	0.9%	-0.9%	1.2%	3.0%	2.0%
FAD/GDP (%)	3.5%	3.4%	4.6%	9.2%	6.7%	6.4%#	5.9%*
Exchange rate (Rs/\$ March-end)	65.0	69.5	74.4	72.8	76.2	82.0	83.0
10-year G-sec yield (% , March-end)	7.6%	7.5%	6.2%	6.2%	6.8%	7.5%	7.0%

#Revised estimate, *Budget estimate

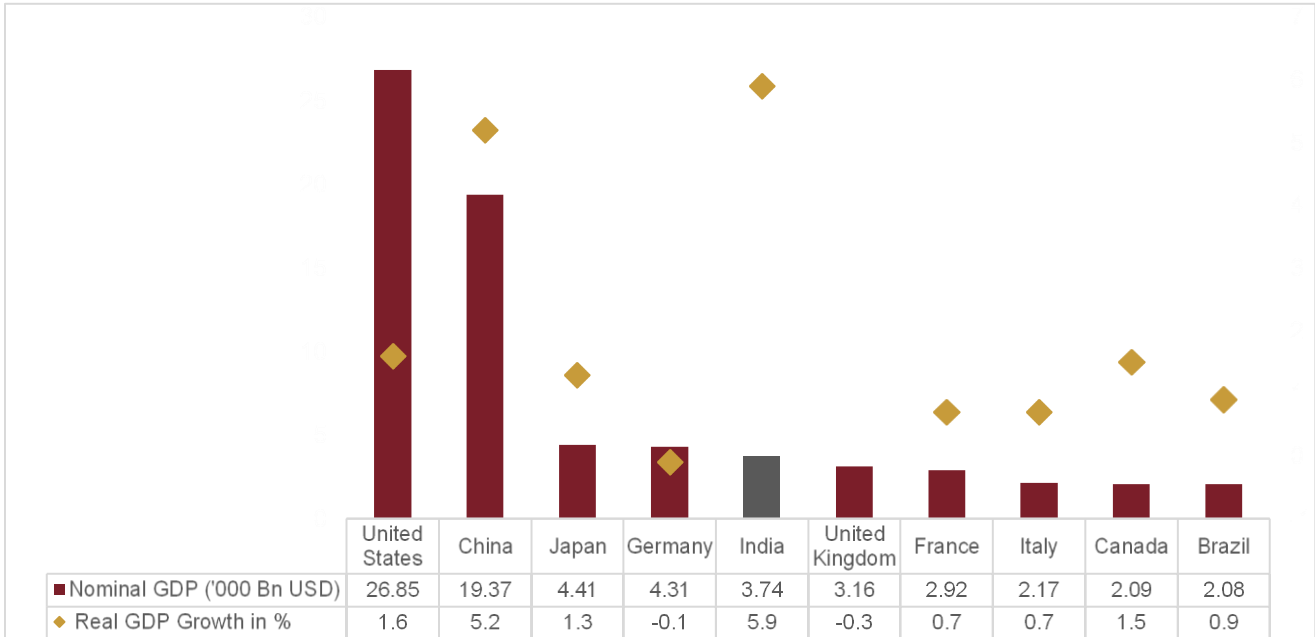
E: Estimated; P: Projected; CPI: Consumer Price Index-linked; CAD: Current account deficit; G-sec: Government security; FAD: Fiscal account deficit

Source: CSO, RBI, CRISIL Consulting

Outlook on global economies

According to World Economic Outlook (April 2023) by IMF, India is at fifth largest economy in the World for as per the estimated GDP for 2023. As per the said Report, India's GDP growth is estimated to grow at 5.9% in 2023 highest amongst the top 10 economies.

Figure 20: India's economy ranked 5th in the World



Source: World Economic Outlook Database (April 2023) by IMF; CRISIL Consulting

Overview of other demographic factors

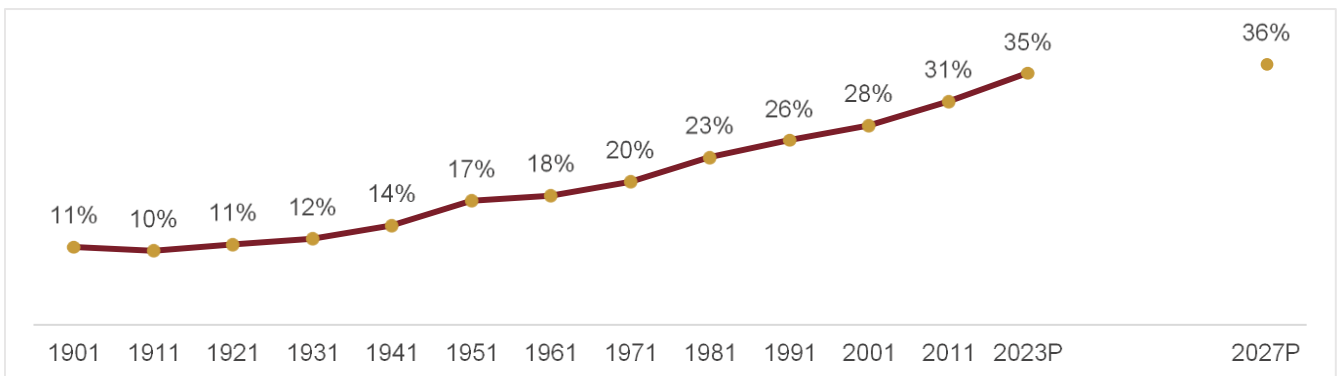
Urbanisation

Urbanisation is one of the big growth drivers, as it leads to rapid infrastructure development, job creation, development of modern consumer services, and mobilisation of savings.

The share of the urban population in India in overall population, which stood at ~31% in 2011, has been consistently rising over the years, and is expected to reach 36% by 2027, spurring increasing consumer demand.

Hence, urban consumption in India has shown signs of improvement and given India's favourable demographics, along with rising disposable income, the trend is likely to continue and drive the country's economic growth.

Figure 21: Urban population as a % of total population of India



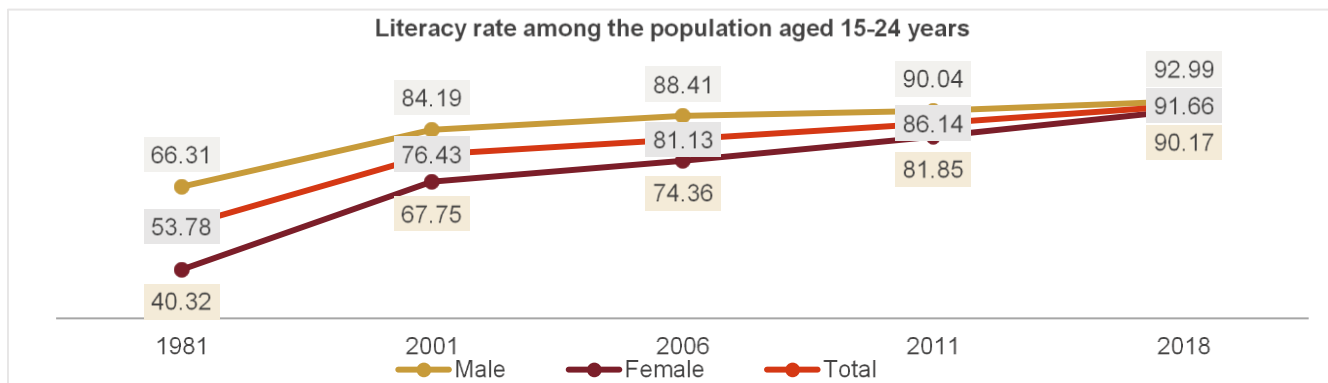
P: Projected

Source: Census 2011, Report of The Technical Group on Population Projections by Ministry of Health & Family Welfare (July 2020), CRISIL Consulting

Literacy

Literacy rate reflects the socio-economic progress of a country. India has experienced continuous growth in youth literacy rate (aged 15-24 years), which rose from ~54% in 1981 to ~90% in 2015. However, the pace of growth has decelerated since 2006. This is because the growth in male literacy rate is slowing; the literacy rate for the female population, though, has continued to rise.

Figure 22: Youth literacy rate of India



Source: UNESCO, WHO, CRISIL Consulting

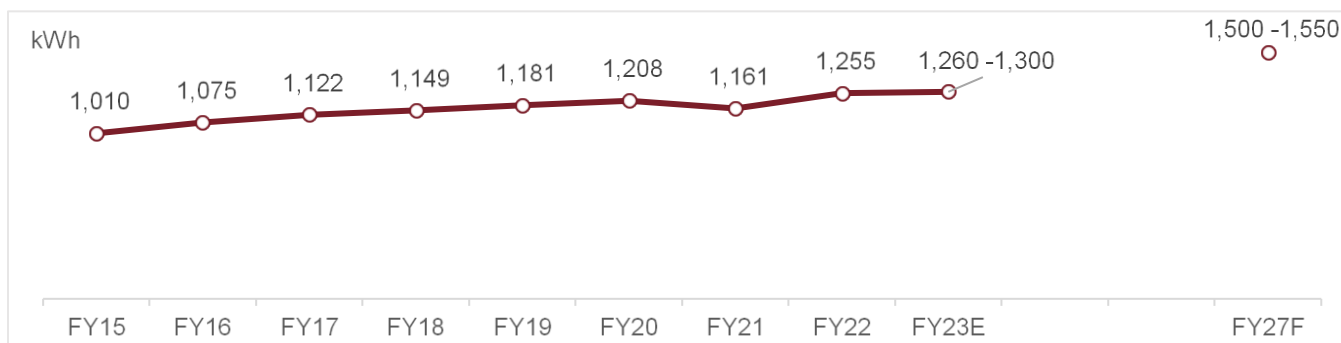
Per capita power consumption

Post successive on-year growth in consumption, demand declined in fiscal 2021, particularly from high-consuming industrial and commercial categories on account of weak economic activity following outbreak of the COVID-19 pandemic. In fiscal 2022, though, per capita electricity consumption rebounded to 1,255 kWh on the back of recovery in power demand, with a similar trend estimated in fiscal 2023.

Between fiscals 2022 and 2027, India’s per capita electricity consumption is expected to grow at ~4% CAGR over a low base of fiscal 2021. Per capita consumption is expected to gradually improve in the long term on the back of improvement in access to electricity, in terms of quality and reliability, on account of intensive rural electrification and reduction in cost of power supply.

Consequently, CRISIL Consulting expects per capita electricity consumption to reach 1,500-1,550 kWh by fiscal 2027.

Figure 23: Per capita electricity consumption-India

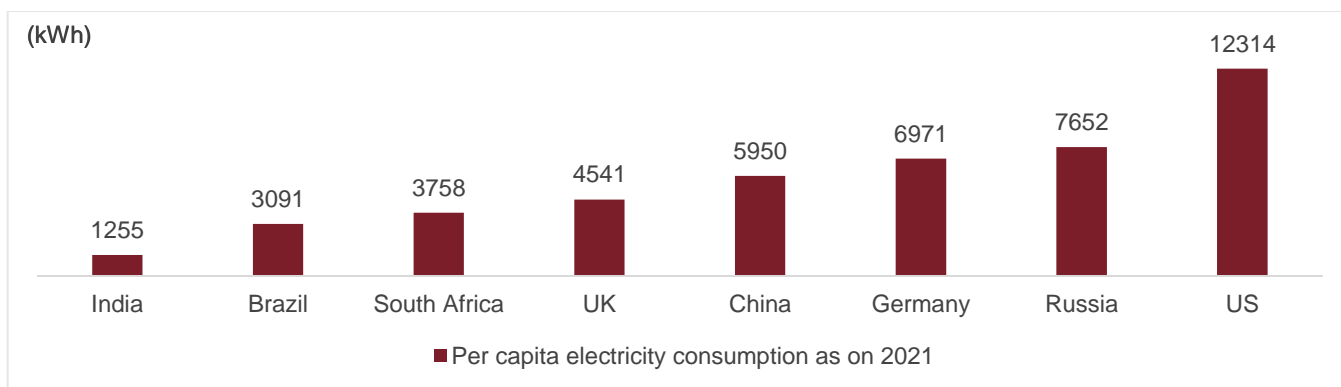


E: Estimated; F: Forecast

Source: Central Electricity Authority of India (CEA), CRISIL Consulting

The per capita electricity consumption remains significantly lower than that of other major as well as developing countries, thereby offering strong organic growth potential.

Figure 24: Per capita electricity consumption across countries (kWh) in 2021



Note: For India FY, Other Countries CY
 Source: CEA, World Bank data, CRISIL Consulting

Outlook on inflation, interest rates, etc.

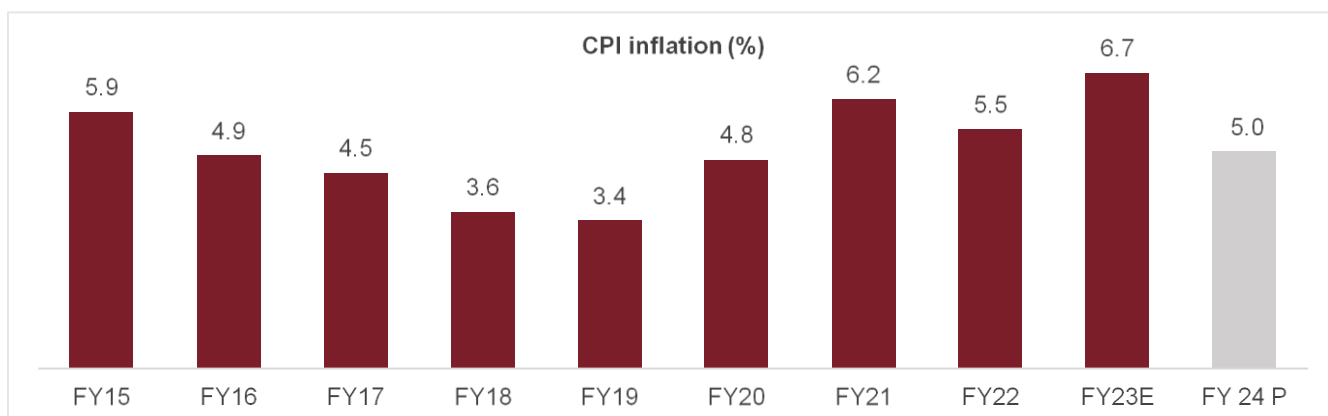
Inflation

India’s consumer price inflation (CPI) slowed for the fourth consecutive month in May 2023, stamping 4.3%, compared with 4.7% in the preceding month. Four factors have influenced the downward trajectory over the past few months.

- A strong base effect that will fade out for headline inflation
- A fall in global oil and commodity prices
- Easing supply chain pressures leading to better availability of inputs and therefore reduced pressure on prices
- Easier food inflation as the rabi crop enters the market

CRISIL Consulting foresees CPI inflation averaging 5% in this fiscal, down from 6.7% in the previous fiscal. A supportive monsoon is a key assumption underlying this forecast. In this scenario, CRISIL Consulting expects the MPC to maintain a pause as it continues to watch the impact of past rate hikes. As growth slowdown seeps in and inflation moderates, CRISIL Consulting expects it to cut rates by the end of this fiscal.

Figure 25: CPI inflation (% , y-o-y)



E: Estimated, P: Projected
 Source: NSO, CEIC, CRISIL Consulting

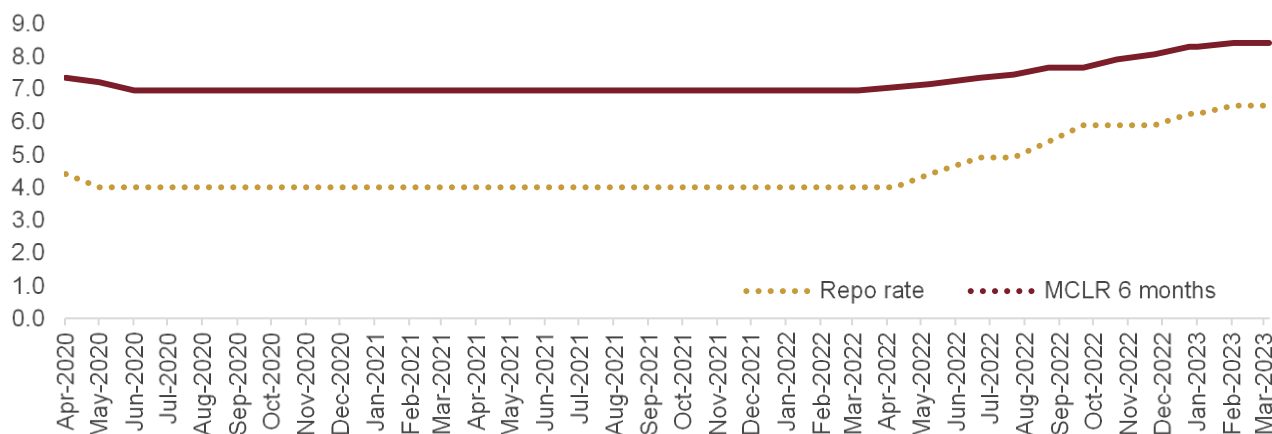
Interest rates

The MPC of the Reserve Bank of India (RBI) kept its policy rates unchanged in June 2023, for the second consecutive time. It also maintained its stance of ‘withdrawal of accommodation’ to progressively align inflation to 4%, the mid-point of the RBI’s target range. The central bank is currently evaluating the impact of past rate hikes on growth and inflation while remaining cautious of the upside risks on the latter. The MPC voted unanimously to keep policy rates unchanged, with the repo rate at 6.50%, standing deposit facility at 6.25%, and marginal standing facility at 6.75%.

While lower input costs should help ease inflation in goods, services could continue facing an upside amid robust demand conditions, maintaining pressure on core inflation. Hence, the MPC slashed its projection for consumer price index (CPI) inflation to 5.1% for this fiscal from 5.2% estimated in the previous meeting.

The MPC expects the impact of its past rate hikes to be seen this year. Overall, GDP growth has been resilient so far, with a sharp uptick to 6.1% in the last quarter of fiscal 2023. However, recovery remained uneven, with private consumption being more subdued than other demand segments in the second half. So far, urban demand and services have been leading the recovery. Meanwhile, investment remains robust and net exports have become less of a drag on growth.

Figure 26: Trend in interest rates



Source: RBI, SBI, CRISIL Consulting

Meanwhile, growth will inevitably slow this year owing to higher borrowing costs, among other factors. With the transmission of past rate hikes, bank lending rates have crossed the pre-pandemic five-year average. Private consumption has already begun showing signs of a slowdown in the past two quarters. External demand will be a bigger drag as major advanced economies face the highest interest rates in a decade. As growth slows, core inflation could ease as well by the end of the fiscal.

India is expected to remain resilient to global shocks as current account deficit narrows further on falling crude oil prices. The RBI's foreign exchange reserves remain adequate to tackle any global volatility. CRISIL Consulting expects the RBI to maintain the status quo on interest rates in the next few meetings. CRISIL Consulting also expects it to initiate cuts in the January-March quarter of 2024 as growth slows and puts a downside on inflation.

Debt

Yield on the 10-year benchmark government security (G-sec; 7.26% GS2033) continued to decline for the second consecutive month, falling to 7.01% on average in May 2023 from 7.21% in April 2023. The yield in May dipped below the 7.0% mark on several days and ended the month at 6.99% (down from 7.15% at April-end). With this yield has fallen almost 50 basis points (bps) from the latest peak of 7.48% in June 2022. This also meant that the term premium over the repo rate (i.e., the yield's difference with the repo rate) averaged 50 bps, the lowest since August 2017 and well below the pre-pandemic five-year average of 95 bps.

The 10-year government yield has trended downward after the MPC unexpectedly halted the rate hike cycle in its April review. It continued to decline in May 2023 after the inflation print fell further (to 4.7% for April 2023 from 5.66% in March 2023), cementing market expectations of a continued pause in policy rates by the MPC.

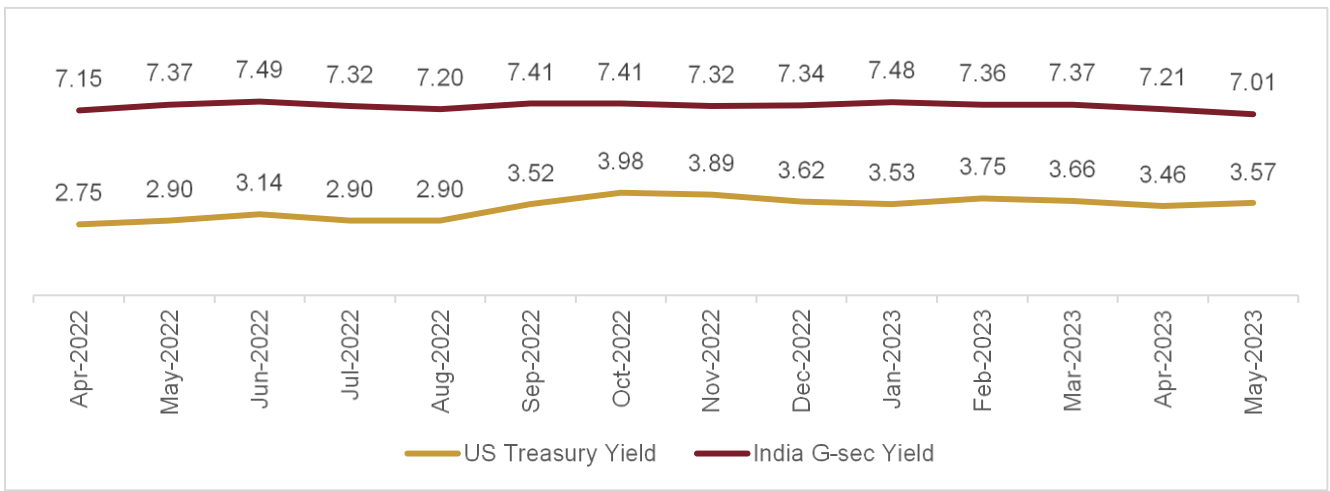
The yield decline in May 2023 was supported by several other factors. For instance, crude oil prices fell sharply during the month on concerns of a global slowdown (Brent spot was down to \$75.7 per barrel in May 2023 from \$84.1 per barrel in April 2023). Moreover, the demand for Indian debt paper among foreign buyers also rose as indicated by net foreign portfolio.

There were few factors that kept yields from falling further. The banking system's liquidity surplus came down in May 2023 as reflected in a decline in daily average absorption by the RBI under the liquidity adjustment facility (LAF) to Rs 0.73 lakh crore in May 2023 from Rs 1.49 lakh crore in April 2023.

After remaining subdued in April 2023, state government borrowings through state development loans (SDL), picked up pace in May 2023. Gross SDL issuances surged 133% to Rs 519.5 billion in May 2023 from Rs 223 billion in April 2023, with higher supply leading to softer prices or higher yields (bond prices and yields move in the opposite direction).

The 10-year US treasury yield rose 11 bps to average 3.57% in May 2023 from 3.46% in the previous month as the US Fed hiked the policy rate by 25 bps in May 2023. While Indian G-sec yields mostly moved in tandem with US treasury yields, the two yield curves diverged this May 2023 as the factors pulling down Indian 10-year G-sec yields were quite strong. Although the gap between US 10-year treasury and Indian 10-year G-sec yields reduced, FPI inflows into G-secs rose during the month.

Figure 27: 10-year India G-sec yield vis-à-vis US Treasury yield gap narrowed in February 2023



Source: RBI, US Department of the Treasury, CRISIL Consulting

G-sec yields are expected to remain low till the end of this fiscal year due to factors such as moderating inflation, lower crude oil prices and fiscal consolidation. CRISIL Consulting expects Consumer Price Index-linked inflation to cool to 5.0% on average in fiscal 2023 compared with 6.7% the previous fiscal.

Brent crude prices are also expected to fall to \$80-85 per barrel this fiscal from \$95 per barrel last fiscal. However, uncertainty persists owing to ongoing geopolitical tensions and the possibility of prices firming up with economic activity ticking up in China.

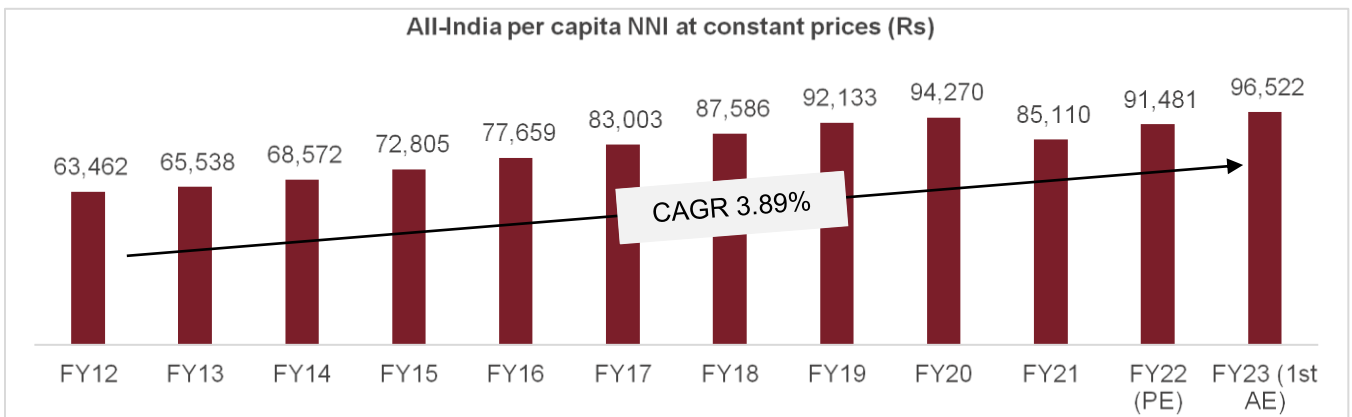
Union Budget 2024 provided a positive surprise for the G-sec market with announcements on fiscal consolidation and a growth push via increased capex. Further, the government’s gross borrowing is expected to rise at a slower pace (8.4%) than nominal GDP growth (10.5%). Accordingly, the budget has targeted to reduce the country’s fiscal deficit to 5.9% of GDP in fiscal 2024. Based on these factors, CRISIL Consulting expects the 10-year G-sec yield to settle at ~7.0% by March 2024 compared with 7.4% a year ago.

Per capita national income

India’s per capita income is expected to rise to Rs 96,522 in fiscal 2023 from Rs 63,462 in fiscal 2012 with a compound annual growth rate of 3.89%. In fiscal 2023, per capita income is expected to rise by 5.5% against 7.5% in fiscal 2022 although on a lower base of the pandemic-affected fiscal 2021.

Some of the reasons for India’s poor national income are its large population, largely agrarian economy, lack of industrial development as well as difference in socioeconomic conditions across the states. However, recent fiscal measures, emphasis on manufacturing through ‘Make in India’ and various packages for economic revival have helped India to grow faster. Opportunities for employment, increased private consumption along with positive consumer sentiments are expected to support higher GDP growth and per capita national income in future.

Figure 28: All-India per capita Net National Income (“NNI”) at constant prices



Note: PE – Provisional estimates; AE – Advance estimate

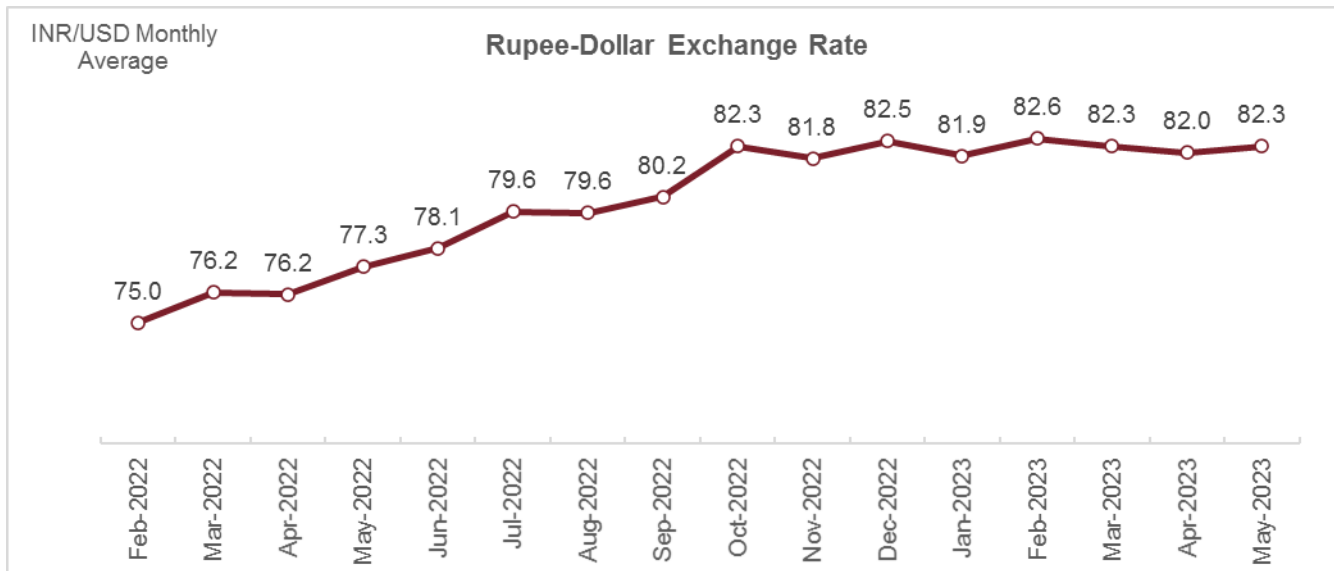
Source: RBI, Economic Survey 2022-23; CRISIL Consulting

Currency

The rupee averaged 82.3/\$ in May, compared with 82.0/\$ in April. The rupee weakened as compared to dollar and India’s trade

deficit widened. In calendar year 2023 so far, the rupee has depreciated a mere 0.5% on average against the dollar, remaining one of the least depreciated emerging-market currencies.

Figure 29: Rupee reversed some of the gains in May 2023

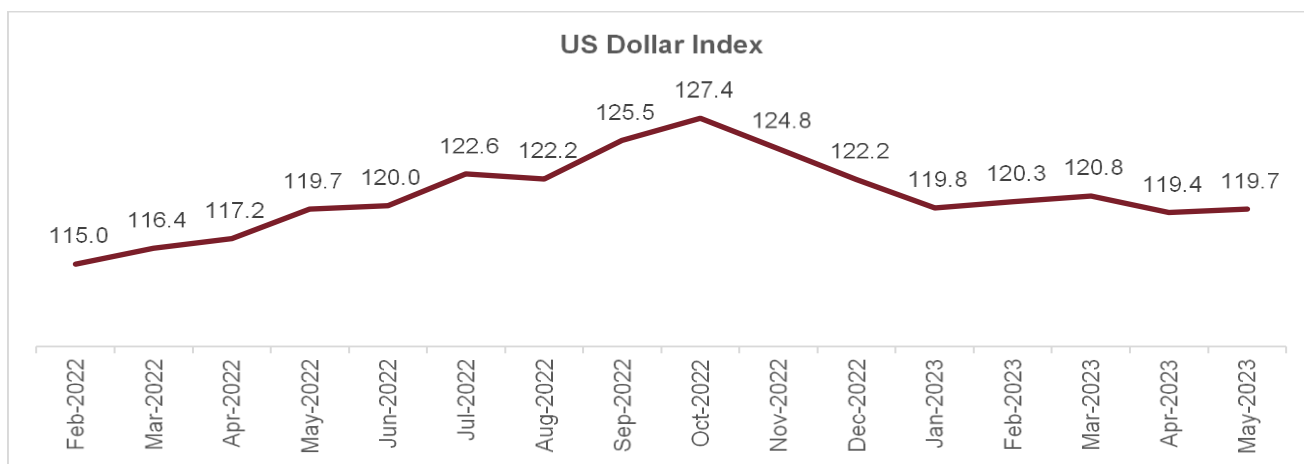


Source: Financial Benchmarks India Pvt Ltd, CEIC, CRISIL Consulting

Dollar index steady amid pull and push factors

The Dollar Index — which measures the greenback’s strength against a basket of currencies — gained back some strength in May 2023 after falling sharply in the previous month. While it had fallen 1.2% on-month in April 2023, it rose 0.4% in May 2023. Increased safe-haven demand amid worrying signs of global economic growth strengthened the US dollar. Moreover, after the 25 basis points (bps) interest-rate hike by the US Federal Reserve (Fed) in May 2023, views were still divided on the possibility of another rate hike in June. This gave the dollar additional strength during the month.

Figure 30: Dollar strengthened in May 2023



Note: A fall in the index indicates depreciation

Source: Federal Reserve Bank of St. Louis, CRISIL Consulting

INDIA'S POWER SECTOR

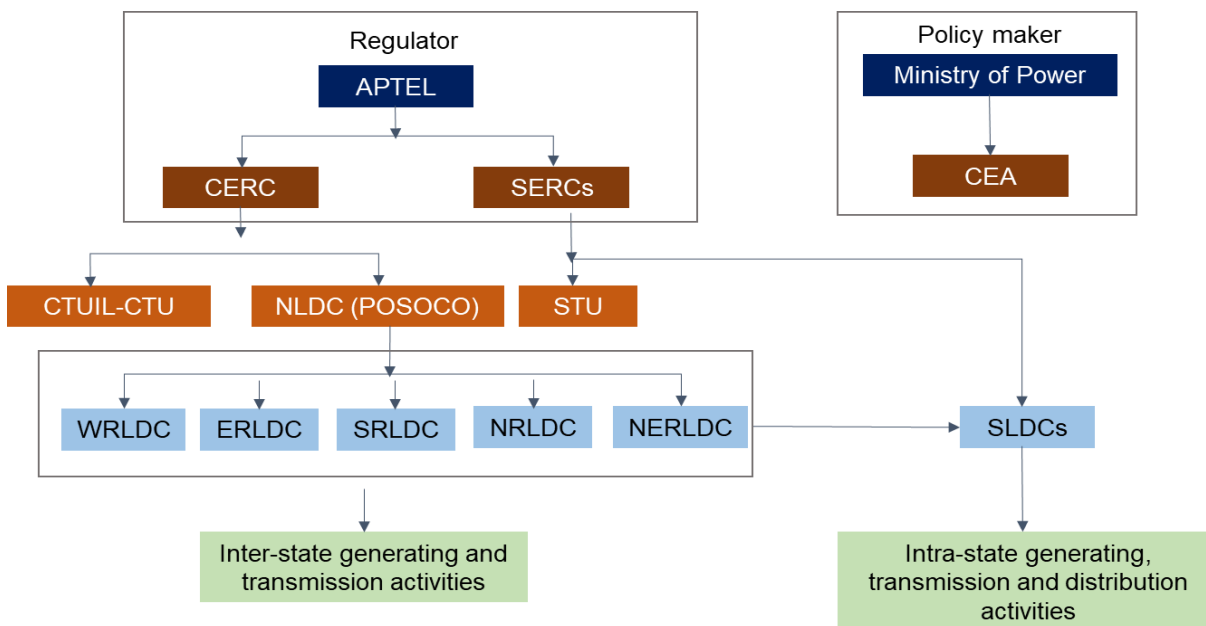
Review of the sector

Evolution and structure

India's power sector is highly diversified, with sources of power generation ranging from conventional (coal, lignite, natural gas, oil, hydro and nuclear power) to viable, non-conventional sources (such as wind, solar, and biomass and municipal waste). Transmission and Distribution infrastructure has expanded over the years for evacuation of power from generating stations to load centres through the intra-state and inter-state transmission system (ISTS).

The sector is highly regulated, with various functions being distributed between multiple implementing agencies. The three chief regulators for the sector are: the Central Electricity Regulatory Commission (CERC), the Central Electricity Authority (CEA), and the State Electricity Regulatory Commissions (SERCs).

Figure 31: Institutional and structural framework



Note: APTEL – The Appellate Tribunal for Electricity; CERC- Central Electricity Regulatory Commission; CEA – Central Electricity Authority; WRLDC – Western Regional Load Despatch Centre; ERLDC – Eastern Regional Load Despatch Centre; SRLDC – Southern Regional Load Despatch Centre; NRLDC – Northern Regional Load Despatch Centre; NERLDC – North-Eastern Regional Load Despatch Centre; SLDC – State Load Despatch Centre; CTU – Central Transmission Utility; STU – State Transmission Utility

Source: CRISIL Consulting

The Ministry of Power (MoP) works in close coordination with the CERC and CEA. While the CERC's role is more of a regulator for approving tariffs of central utilities, approving licenses, etc., the CEA is primarily a technical advisor focused on planning, i.e., estimating power demand and generation and transmission capacity.

Key policy and regulatory reforms in support of Renewable Energy (RE) growth

The development of grid interactive renewable power has essentially taken off with the Electricity Act 2003, which mandates the SERCs to promote cogeneration and generation of electricity from renewable energy (RE) sources by providing suitable measures for connectivity with the grid and sale of electricity and fix certain minimum percentages for purchase of renewable power in the area of each distribution licensee. The regulatory and policy environment is evolving and has seen regular changes. In June 2008, a National Action Plan on Climate Change (NAPCC) was announced, which included eight major national missions, with the one on solar energy the Jawaharlal Nehru National Solar Mission (JNNSM) being central. The JNNSM was launched in January 2010, with a target of 20 GW grid solar power. In June 2015, this target was increased to 100 GW by 2022 and a cumulative target of 175 GW of RE capacity addition by 2022 was set which included 100 GW from solar, 60 GW from wind, 10 GW from bio-power, and 5 GW from small hydropower.

In the past 5 years, the government has taken several initiatives to promote RE in the country:

- Permitting foreign direct investment (FDI) up to 100% under the automatic route
- Waiver of ISTS charges for inter-state sale of solar and wind power for projects to be commissioned by June 30, 2025
- Declaration of trajectory for renewable purchase obligation (RPO) and energy storage obligation (ESO) wherein trajectory for RPO for wind, hydro purchase obligation (HPO) and other RPOs has been laid down up to fiscal 2030

- Setting up of ultra-mega renewable energy parks to provide land and transmission to RE developers on a plug-and-play basis
- Laying of new transmission lines and creating new sub-station capacity for evacuation of renewable power under the Green Energy Corridor (GEC) Scheme
- Standard bidding guidelines for tariff based competitive bidding process for procurement of power from grid-connected solar PV and wind projects
- Generation-based incentive (GBI) is being provided to the wind projects commissioned on or before March 31, 2017
- Electricity (Promoting Renewable Energy through Green Energy Open Access) Rules, 2022 to further accelerate the RE programme with the end goal of ensuring access to affordable, reliable, sustainable and green energy for all
- Letter of credit (LC) or advance payment to ensure timely payment by distribution licensees to RE generators
- National Green Hydrogen Mission for the development of green hydrogen production capacity of at least 5 million tonne per annum (mtpa) with an associated RE capacity addition of about 125 GW in the country
- Renewable generation obligation (RGO) issued by MoP for the companies installing new coal/lignite based thermal power plants and having the commercial operation date of the project on or after April 1, 2023. These projects would have to establish/procure an RE capacity of a minimum of 40% of the thermal plant capacity
- Issuance of bidding trajectory for renewable power bids aims to achieve a target of 280 GW solar capacity (of the 500 GW of installed capacity from non-fossil sources) by 2030. The bids for 40 GW of solar energy capacity per annum, of the total trajectory of 50 GW RE capacity are to be issued each year from fiscal 2024 through fiscal 2028
- The viability gap funding for Battery storage proposed in the budget for fiscal 2024 with capacity of 4000 MWh. An outlay of Rs 3,500 crore is expected by the central government to support the VGF. Central government also issued guidelines to promote pump storage projects.

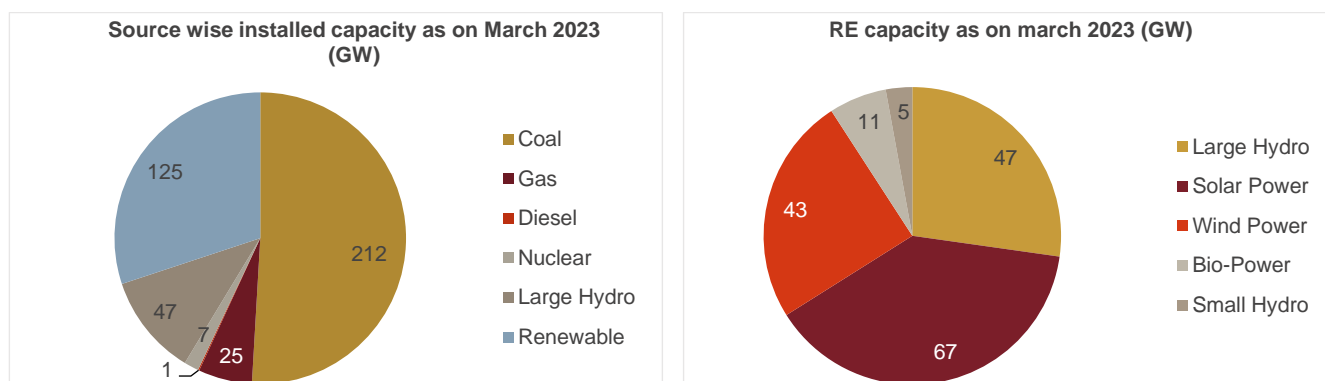
In addition, regulatory policies in each state in India currently provide a conducive framework for securing attractive returns on capital invested.

Review of power demand-supply scenario in India

Power supply mix

The total installed generation capacity at the end of March 2023 was 416 GW, of which ~89 GW of capacity was added over fiscal 2017-23. The overall installed generation capacity has grown at a CAGR of 6.8% over fiscals 2012– 23. Coal and lignite-based installed power generation capacity has maintained its dominant position over the years and accounts for ~51% as of March 2023. However, RE installations (including large hydroelectric projects), have reached ~172 GW capacity as on March 2023, compared with 25 GW as on March 2012 (source: MNRE), constituting ~41% of total installed generation capacity as of date. This growth has been led by solar power, which rapidly rose to ~67 GW from 0.9 GW over the same period.

Figure 32: Details of installed capacity



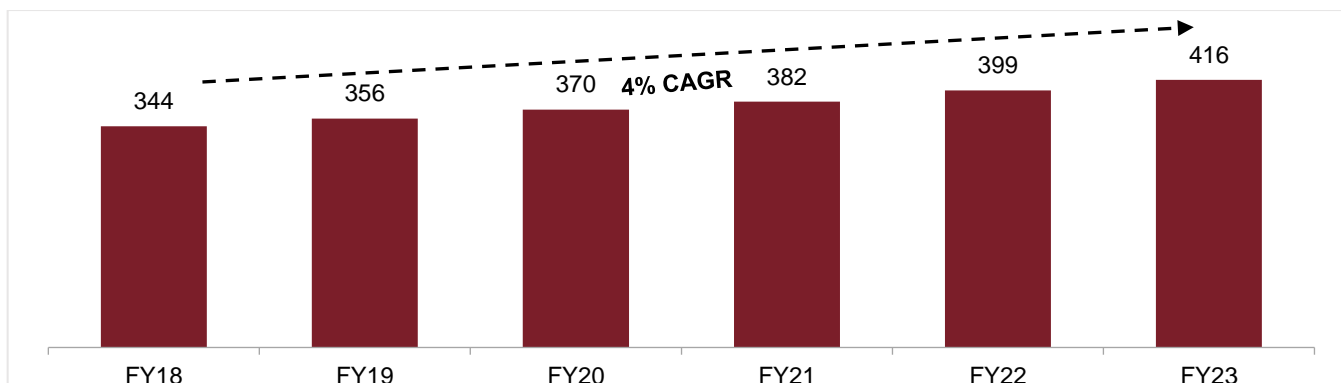
*Renewable capacity excluding large hydro

Source: CEA, CRISIL Consulting

The Electricity Act, 2003 and competitive bidding for power procurement, implemented in 2006, encouraged the participation of private market participants that have announced large capacity additions. As a result of competitive bidding, capacities of ~22 GW (fiscals 2014-23) were added by the private sector, which accounted for 73.0% of the total additions. Moreover, a strong government thrust on RE and decreasing tariffs (with falling capital costs and improving efficiency) also supported RE

capacity additions. Investments from foreign funds participating in fundraising activities into the sector has also enabled growth.

Figure 33: Evolution of all India installed generation capacity (GW)

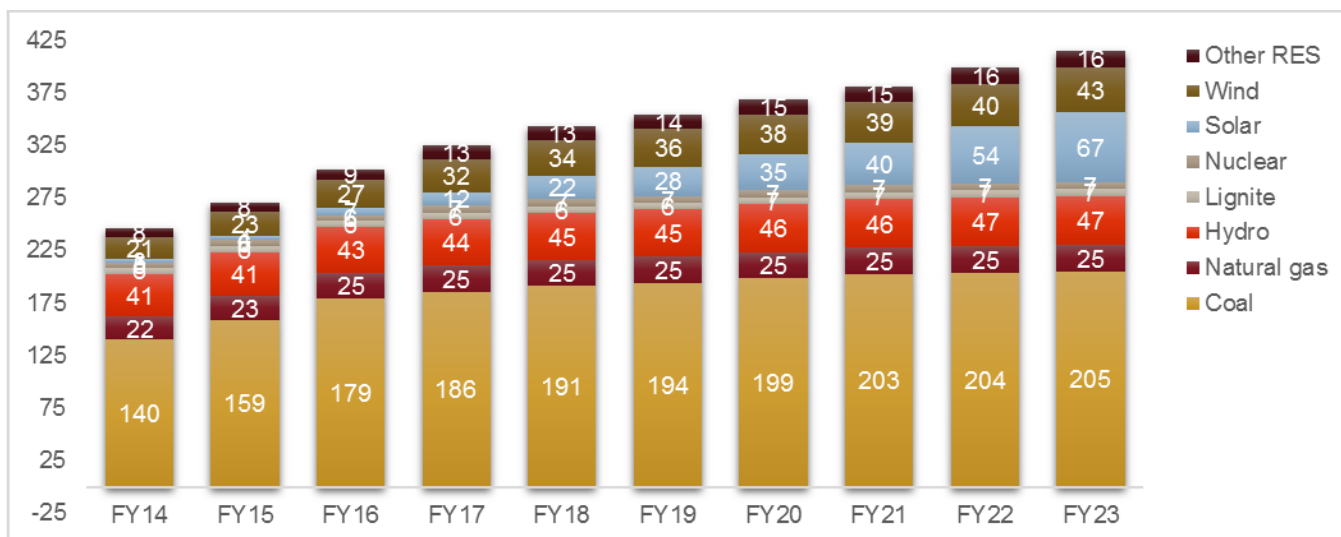


Note: 3.9% CAGR is for capacity additions growth between FY18 and FY23

Source: CEA, CRISIL Consulting

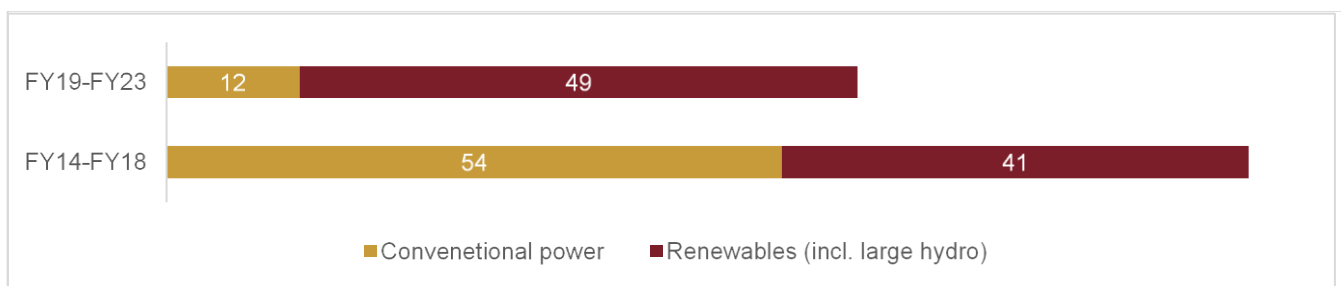
In 2014, the GoI set a target to achieve 175 GW of RE in India by December 2022, with a focus on solar energy (100 GW) and wind energy (60 GW), in addition to other RE sources such as small hydro projects, biomass projects and other renewable technologies (~15 GW).

Figure 34: Fuel-wise installed capacity in past 10 years (GW)



Source: CEA, CRISIL Consulting

Figure 35: Trend in power generation capacity addition (GW)



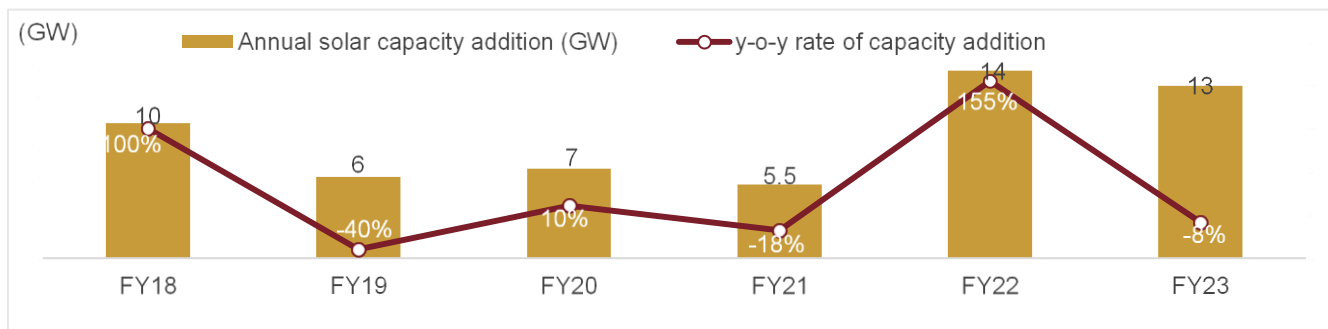
Source: CEA, CRISIL Consulting

Impact of COVID-19 on capacity addition

The central government enforced a nationwide lockdown in March 2020. During the lockdown, several restrictions were placed on the movement of individuals and economic activity came to a halt. India could install only 82% and 55% of its annual RE capacity addition targets in fiscals 2018 and 2019 — based on the overall 175 GW addition target by fiscal 2022. As of January 2020, 67% of the target for fiscal 2020 had been achieved.

Further, COVID-19 affected capacity addition targets for various sources of power owing to the halt in construction activities, disruption in the global supply chain and shortages in key components leading to delays in execution of projects.

Figure 36: Annual addition in solar capacity installation



Source: CEA, CRISIL Consulting

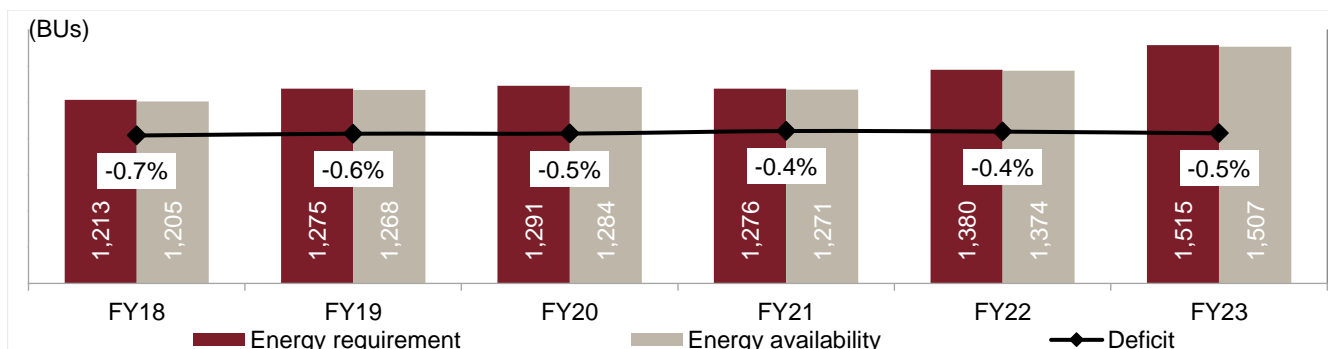
Review of power demand-supply gap

India’s electricity requirement has risen at a CAGR of ~4.5% between fiscals 2018 and 2023E, while power availability rose at ~4.6% CAGR on the back of strong capacity additions, both in the generation and transmission segments. In fact, the installed generation capacity has grown at a rate of 6.8% between fiscals 2012 and 2023. The GDP during the same period registered a growth of 8.95% indicating that the energy demand is lagging GDP growth rate implying unrealized power demand.

The energy deficit declined to 0.5% in fiscal 2023 from 0.7% in fiscal 2018 due to an increase in capacity addition growth of 4.6% over the same period. Strengthening of inter-regional power transmission capacity over the past five years has supported the rapid fall in deficit levels as it reduced supply constraints on account of congestion and lower transmission corridor availability, thereby lowering the deficit to 0.6% in fiscal 2019. For fiscal 2022, the average energy deficit across states and UTs stood at 0.4%.

Further, in fiscals 2018 and 2019, power demand grew at 6% and 5% on-year, respectively, led by a low base and gradual pickup in consumption across categories, with impetus from electrification of un-electrified households, transmission and distribution network expansions, and healthy economic activity. However, in fiscal 2020, power demand grew at a slower 1.3% due to weakening economic activity and extended monsoon. After a minor (1.2%) decline in fiscal 2021, power demand saw a strong rebound in fiscal 2022, registering a ~8% on-year growth on the back of healthy revival in economic activity, and as demand picked up with the lifting of COVID-19 restrictions.

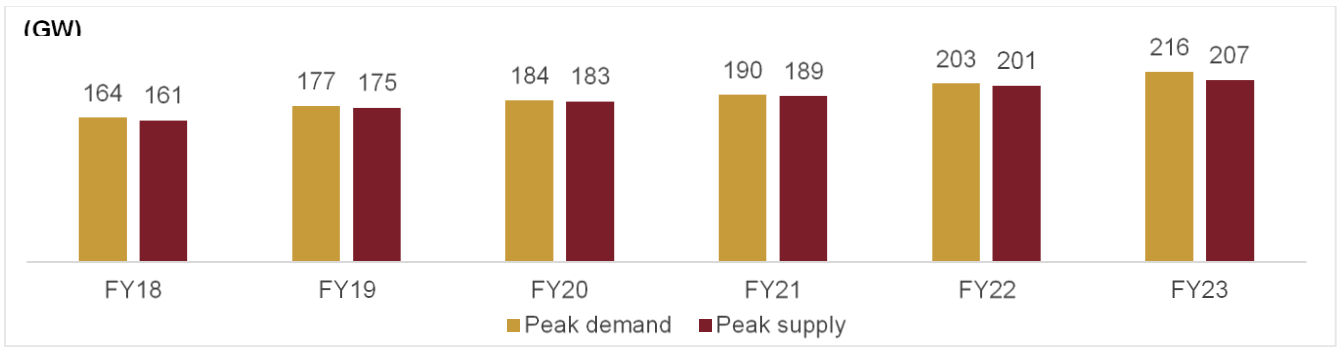
Figure 37: Aggregate power demand supply



Source: CEA, CRISIL Consulting

Peak electricity demand in India has grown from 164 GW in fiscal 2017 to 216 GW in fiscal 2023 clocking an average growth rate of 5% in the past six years. Peak demand has managed to constantly rise over the past years during fiscal 2021 which witnessed base demand falling into negative territory. Before the pandemic, electricity demand in India usually peaked in August-September, mostly covering the monsoon season. This spike in peak demand was primarily due to an increase in domestic and commercial load, mainly space cooling load due to high humidity conditions. However, post pandemic, annual peak demand is occurring in the summer season (April-July), due to extreme heatwave conditions. Peak demand touched record high levels of 216 GW in fiscal 2023 during April 2022, attributed to an increase in cooling demand as intense summers scorched several regions of the country. Generation has struggled to keep up with the booming demand, resulting in an increase in peak deficit to 4.3% in fiscal 2023 (up to February) as compared with 1.2% for the same period in fiscal 2022.

Figure 38: Peak power demand and supply



Source: CEA, CRISIL Consulting

Consumer category wise energy consumption

Domestic demand – Domestic consumption grew at a healthy pace of 5-6% in fiscal 2023 despite gradual resumption of work at offices and reopening of educational institutions.

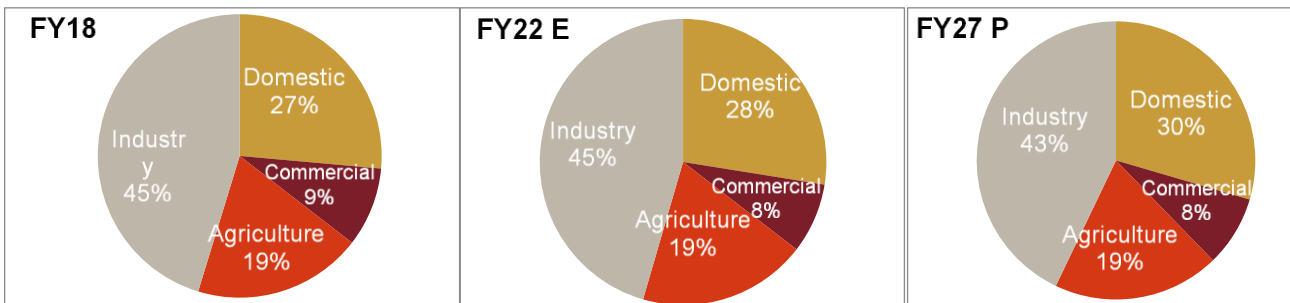
Agriculture demand – Power demand from the agriculture segment remained strong in the first quarter of fiscal 2023, driven by an increased usage of irrigation pumps before the sowing season. Demand was led by reduced power cuts, segregation of agricultural and non-agricultural feeders, and solarisation of distribution feeders,

Commercial demand – Commercial power demand completed its recovery curve in fiscal 2023, as office spaces and educational institutions reopened to full capacity. In the long term, CRISIL Consulting expects power demand from the commercial segment to improve on account of rising urbanisation, which, in turn, will lead to growth in commercial spaces such as hospitals, educational institutions, malls, and offices.

Industrial demand – Power demand from the industrial and commercial sector, which was severely affected in the first half of fiscal 2021 because of the nationwide lockdown, recovered strongly over the second half, owing to relaxation of restrictions and healthy revival in consumer sentiment on the back of the festive season and pent-up demand.

Power demand is expected to remain buoyant across states in the coming years on the back of strong economic momentum and sustained buoyancy in manufacturing and commercial activities.

Figure 39: Category-wise growth in electricity consumption



E: Expected; P: Projected; *Excludes captive consumption by industries

Source: 20th EPS by CEA, CRISIL Consulting

Financial position distribution sector entities (DISCOMs)

Distribution companies

As per the 11th Integrated Rating Report on Power Distribution Utilities for fiscal 2022, the financial deficit of power distribution sector was Rs 53,000 crore in fiscal 2022, a reduction of ~46% compared to fiscal 2020. This improvement was driven by rising demand for power and a 50% improvement in the ACS-ARR gap from 79 paise per unit in fiscal 2020, which reduced to only 40 paise per unit in fiscal 2022. The improvement in absolute cash adjusted gap can be attributed to improvement in the profit before tax, subsidy disbursement and collection from trade receivables.

Further, the total debt of discoms increased by 24%, from Rs 5.01 lakh crore in fiscal 2020 to Rs 6.20 lakh crore in fiscal 2022. However, the pace of debt accumulation slowed down significantly. In fiscal 2022, the debt increased by Rs 33,800 crore, which is 60% less than the Rs 85,500 crore increase in fiscal 2021.

Trade payables to Gencos and Transcos increased by 10.5% from Rs 2.55 lakh crore in fiscal 2020 to Rs 2.81 lakh crore in fiscal 2022. This was driven by rising power purchase costs as the days payable remained constant at 163 days. Trade receivables, on the other hand, jumped by 17% from Rs 2.07 lakh crore to Rs 2.42 lakh crore during the same period. This was due to a 10% increase in revenue from operations, which resulted in days receivable increasing from 134 to 142 days. Part of the receivables accumulated during fiscal 2021 were not collected in fiscal 2022, as many C&I customers faced COVID-19 induced business disruption. This resulted in higher trade receivables in fiscal 2022 compared to fiscal 2020.

The trade receivables for SECI improved to 49 days in fiscal 2022 compared to 57 days fiscal 2021 whereas for NVVN, the trade receivables increased to 136 days in fiscal 2022 compared to 81 days fiscal 2021. Rajasthan discoms did not pay NVVN a certain amount related to delay in inter-state scheduling (LTA) of power generated and outstanding dues towards dispute in trading margin. These matters were pending as on 31st March 2022.

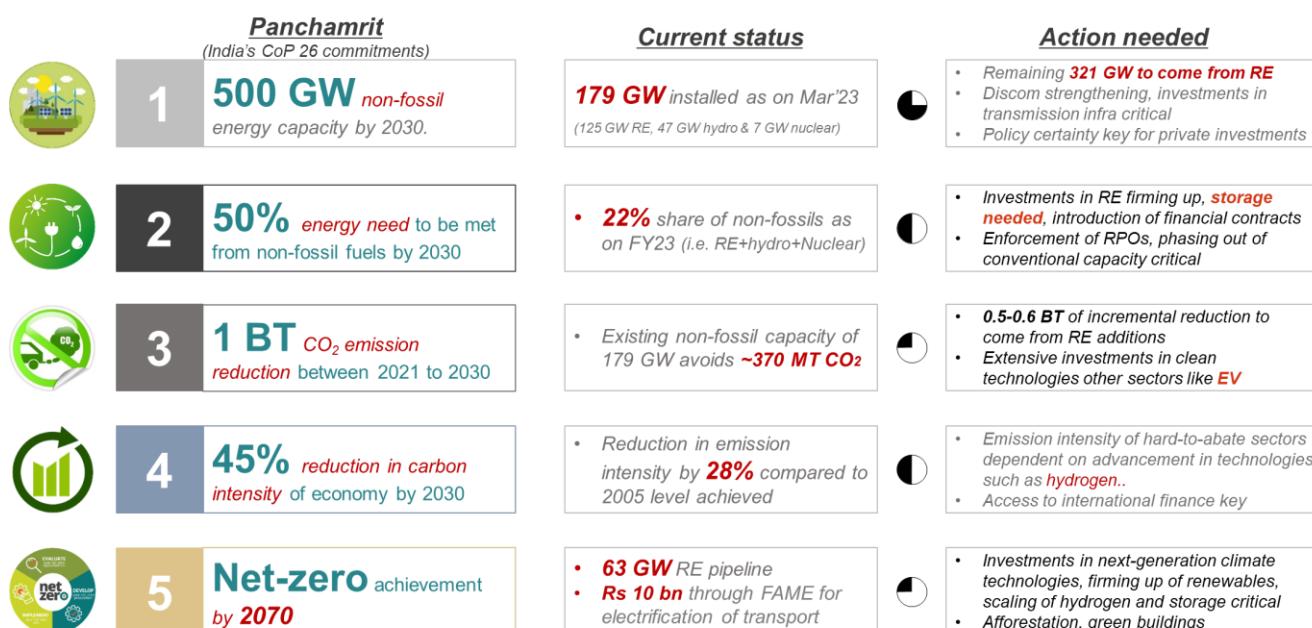
The discoms of Andhra Pradesh, Madhya Pradesh and Telangana have registered an improvement in their receivable days in fiscal 2022 compared to fiscal 2021. The average receivable days for AP discoms were 100 days, with APEPDCL's being the lowest at 47 days among all the AP discoms. Similarly, MP discoms' receivable days reduced to 182 days in fiscal 2022 from 213 days in fiscal 2021. Telangana discoms' average receivable days reduced to 199 days in fiscal 2022. The government has taken major steps to strengthen billing cycles and to bring down trade receivables. This steps include smart metering, late payment surcharge, mandating discoms to further improve their collection process and incentivizing them with grants under RDSS.

India's nationally determined contributions (NDCs)

Review of India's NDCs

India submitted its intended NDCs to the United Nations Framework Convention on Climate Change (UNFCCC) on October 02, 2015. In accordance with the provision of the Paris Agreement, India updated its first NDC in August 2022, for the period up to 2030. The updated NDCs translate India's commitments announced at The UN Climate Change Conference in Glasgow (COP26) into enhanced climate targets and is also a step towards achieving India's long-term goal of reaching Net Zero by 2070.

Figure 40: India's commitments under COP26



Source: UNFCCC, MNRE, industry, CRISIL Consulting

Development of carbon trading market in India

In December 2022, the GoI amended the Energy Conservation Act, 2001 to empower it to specify a carbon credit trading scheme. The amendment also provides that the designated consumers may be required to meet a proportion of their energy needs from non-fossil sources. The amendment also provides for a legal framework for carbon market to incentivise emission reductions.

Recently, the MoP issued a draft Carbon Credit Trading Scheme (CCTS) to establish a framework for the Indian carbon market. Some of the key provisions/characteristics of the draft scheme are:

- Accredited carbon verifier: An agency accredited by the Bureau of Energy Efficiency (BEE) to carry out validation or verification activities in respect of the CCTS
- Carbon credit certificate (CCC): A certificate issued to the registered entity by the GoI, or any agency authorised by it under Section 14AA of the Act, where each certificate issued will represent reduction or removal of one tonne of CO₂ equivalent (tCO₂e)
- The Indian Carbon Market Governing Board (ICMGB): A Board set up for oversight, making rules for the Indian carbon market, guidelines regarding the sale of carbon credit certificates to outside India and other regulatory functions. Power and environment secretaries would be the ex-officio co-chairpersons of ICMGB
- There will be an administrator for the Indian carbon market that will also work as the secretariat for the ICMGB
- The Grid Controller of India Ltd will be the registry for the Indian carbon market
- The CERC will be the regulator for trading activities in the market
- CERC will approve participation of power exchanges for the purpose of ICM trading, from time to time
- The obligated entities, including designated consumers covered under the compliance mechanism, as notified by the GoI from time to time, will register themselves for CCTS
- Obligated entities shall be required to reduce GHG emission intensity in terms of tCO₂e/tonne of production, as notified by the GoI
- Types of carbon markets:
 - Compliance markets: created to comply with a law
 - Voluntary markets: issuance, buying and selling of carbon credits on a voluntary basis

India is set to establish a carbon market with compliance, as well a voluntary market. The GoI has been working on a supportive regulatory framework in this regard. A well-developed carbon market supported by suitable regulations and policies could create tremendous opportunities in coming years.

Paris Agreement

Concerns over climate change is at the heart of the energy shift towards RE. Utilisation of more and more RE will be key for decarbonisation. Various initiatives such as Kyoto Protocol, Paris agreement, COP 21, COP26, RE 100, ISA and subsequent favourable policy interventions have helped the RE segment to flourish.

The Paris Agreement is a legally binding international treaty on climate change. It was adopted by 196 Parties at the UN Climate Change Conference (COP21) in Paris on 12 December 2015 and came into force on 4 November 2016. The transition towards RE is critical part of meeting the goals of the Paris Agreement, which aims to limit the rise of global average temperatures to well below 2 degrees Celsius, and ideally below 1.5 degrees Celsius above pre-industrial levels.

Article 6 of the Paris Agreement allows countries to voluntarily cooperate with each other to achieve emission reduction targets set out in their NDCs. This implies that the carbon credits can be transferred amongst the countries to meet climate change targets. Article 6.4 provides for the mechanism of trading GHG emission reduction between countries. Further, Article 6.8 provides for a non-market approach promoting mitigation and adoption ambition. It recognises mitigation, adaptation, finance, technology transfer and capacity-building. Article 6 mandates that even though transfers are allowed, only one country can count the emission reduction towards its NDC to avoid double counting. Accordingly, Article 6 provides for corresponding adjustment in emission reduction to avoid double counting.

Article 15 of the Paris Agreement advocates for a committee to facilitate implementation of and promote compliance with the provisions of the Paris Agreement. It further provides that the Committee shall be expert-based and facilitative in nature and function in a manner that is transparent, non-adversarial and non-punitive. The committee consists of 12 members, with 2 members each from the five regional groups of the United Nations and 1 member each from the small island developing states (SIDS) and the least developed countries (LDCs), considering the goal of gender balance. The ninth (hybrid) meeting of the Committee was held on 18 and 19 April 2023.

Global Carbon Credit Markets

Voluntary carbon markets allow carbon emitters to offset their unavoidable emissions by purchasing carbon credits emitted by projects targeted at removing or reducing GHG from the atmosphere. Each credit – which corresponds to one metric ton of reduced, avoided or removed CO₂ or equivalent GHG – can be used by a company or an individual to compensate for the emission of one ton of CO₂ or equivalent gases. When a credit is used for this purpose, it becomes an offset. It is moved to a register for retired credits, or retirements, and it is no longer tradable. Companies can participate in the voluntary carbon market either individually or as part of an industry-wide scheme, such as the Carbon Offsetting and Reduction Scheme for International Aviation, which was set up by the aviation sector to offset its greenhouse gas emissions. International airline operators taking part in CORSIA have pledged to offset all the CO₂ emissions they produce above a baseline 2019 level. While compliance

markets are currently limited to specific regions, voluntary carbon credits are significantly more fluid, unrestrained by boundaries set by nation states or political unions. They also have the potential to be accessed by every sector of the economy instead of a limited number of industries.

A number of methodologies for different type of projects have been approved by various registries/standards. Some of them are American Carbon Registry (ACR), Climate Action Reserve (CAR), Gold Standard (GS) and the Verified Carbon Standard (Verra). These programs are considered to be the most established independent, voluntary carbon offset programs having high market credibility.

Table 5: Different standards available for carbon trading

Particulars	American Carbon Registry	Climate Action Reserve	Gold Standard	Verified Carbon Standard	Global Carbon Council#
Year of implementation	1996	2001	2003	2005	2021
Registered activities *	584	619	1991	1952	17
Credit name	Verified Emission Reductions (VERs)	Climate Reserve Tonnes (CRTs)	Verified Emission Reductions (VERs)	Verified Carbon Units (VCUs)	Approved Carbon Credits (ACCs)
Credits issued (MtCO _{2e})*	87.919	79.832282	202	1036.896946	1.10798
Credits retired or cancelled (MtCO _{2e})*	31.504	56.278164	129	555.417868	0.90228
Sectors covered:	Agriculture, CCS/CCU, Energy efficiency, Forestry, Fuel switch, Industrial gases, Manufacturing, Renewable energy, Transport, Waste	Agriculture, Forestry, Industrial gases, other land use, Waste	Agriculture, Energy efficiency, Forestry, Fuel switch, Fugitive emissions, Renewable energy, Waste	Agriculture, Energy efficiency, Forestry, Fuel switch, Fugitive emissions, Industrial gases, Manufacturing, Renewable energy, Transport, Waste	Energy, Manufacturing industries, Chemical industry, Construction, Transport, Mining/mineral/metal production, Fugitive emissions, Solvents use, Waste, Forestry, Agriculture

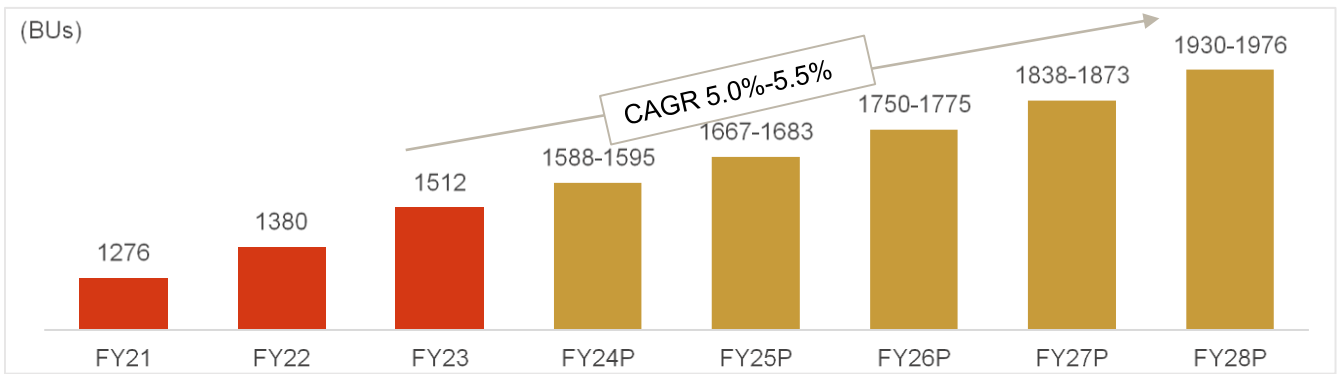
Notes: MtCO_{2e}= Million Tonnes of CO_{2e}; *as of December, 31 2022; #GCC May 2023, Source: World Bank Carbon Pricing Dashboard, GCC, CRISIL Consulting

Demand-supply outlook

Energy demand-supply forecast, fiscals 2024 to 2028

Power demand maintained a strong growth momentum in fiscal 2023 logging a double-digit growth of 10% albeit a moderate base of fiscal 2022. Extreme seasonal vagaries, sustained buoyancy in economic activities along with robust industries activities accelerated power demand. Infrastructure-linked capex, strong economic fundamentals along with expansion of the power footprint via strengthening of T&D infrastructure, coupled with major reforms initiated by the GoI for improving the overall health of the power sector, particularly that of state distribution utilities, are expected to improve the quality of power supply, thereby propelling power demand. CRISIL Consulting expects power demand to log a healthy 5.0-5.5% CAGR between the fiscals 2023 and 2028, with the growth trajectory sustaining above the long-term historical growth rate of 5% over the next five years.

Figure 41: Energy demand outlook (fiscals 2021-28)

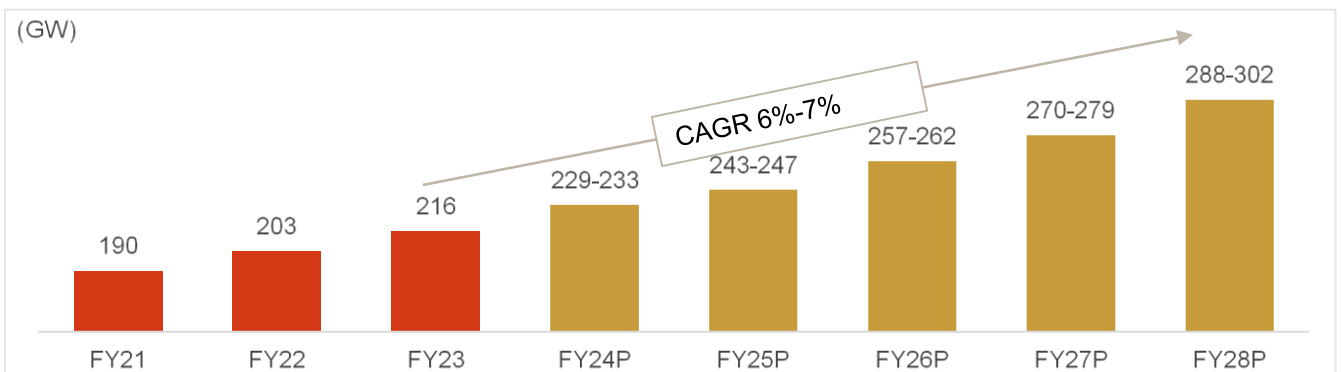


P: Projected,
Source: CEA, CRISIL Consulting

Peak demand outlook

Peak demand has outpaced base demand on several instances. While base demand has grown at a CAGR of nearly 4% over fiscals 2017-22, peak demand has grown at 5%. Even in fiscal 2021 which was marred by the COVID-19 pandemic, base demand entered into negative territory and fell 1.2%, while peak demand grew 3% to 190 GW, which was about half of the country's installed capacity, from almost 184 GW in the prior year. The constant rise in peak demand can be attributed to economic growth, seasonal vagaries, and the increasing daily average temperature India experienced over the last decade. Peak demand is expected to grow annually at ~7% over fiscal 2023-28 to nearly 302 GW by fiscal 2028 with expected persistent high temperatures, rising urbanization, economic growth and infrastructure push leading to higher power consumption.

Figure 42: Peak demand outlook (fiscals 2021-28)



P: Projected,
Source: CEA, CRISIL Consulting

Expected capacity installation by fiscal 2028

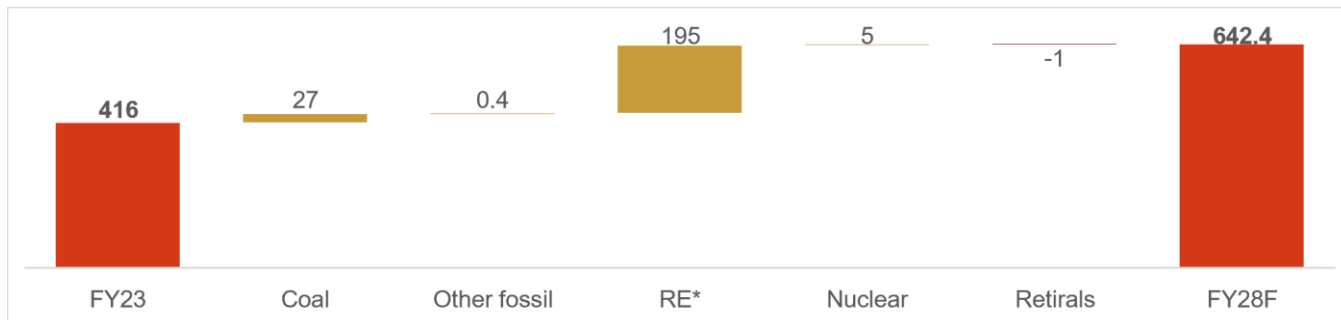
A thermal power generation capacity of ~67 GW was under construction as of February 2023. However, CRISIL Consulting expects only 27-28 GW of coal-based power to be commissioned over fiscals 2024-28. In addition, 13-14 GW of hydro including pumped storage projects (PSP) and 4-5 GW of nuclear capacities are expected to be added. National Thermal Power Corporation (NTPC) will dominate capacity additions, with 7-8 GW being added over the next five years. NTPC also announced five brownfield expansion projects with a cumulative capacity of ~6.1 GW in fiscal 2023, for which tendering is expected to be carried out over fiscals 2023-25, whereas commissioning is expected to be beyond the next five years. Only 1-2 GW of coal plants are expected to be retired over the next five years as flexible operations required to meet rising peak demand necessitate continued running of coal plants, with certain old plants likely to operate as reserve capacity.

Installed generation capacity across fuels reached 416 GW as of fiscal 2023, on the back of healthy RE capacity additions of ~56 GW over fiscals 2018-23 and is expected to reach 550-600 GW by fiscal 2028 as renewable capacity additions (solar and wind) nearly triple to 166-172 GW over the next five years. Storage-based capacity, consisting of pumped hydro and battery energy storage systems, is likely to reach 24-25 GW by fiscal 2028, driven by PSP and battery energy storage system (BESS) capacity additions of 5-6 GW and 19-20 GW, respectively, over fiscals 2023-28. Also, India's renewed ambitious target of reaching 500 GW of non-fossil fuel capacity by 2030 is likely to involve enhancement of the hydro capacity pipeline to support core renewables such as solar and wind.

CRISIL Consulting expects 142-147 GW of solar capacity addition between fiscals 2024 and 2028, followed by 24-25 GW through wind. Growth in capacity additions will be driven by government support, with an aggressive tendering roadmap outlined by the government. A few external factors such as an improvement in technology (floating solar and module efficiency), low-cost financing and policy push are enablers. However, a surge in component pricing, additional taxation will

increase capital costs consequently affecting the ability of state discoms to offtake power at higher prices.

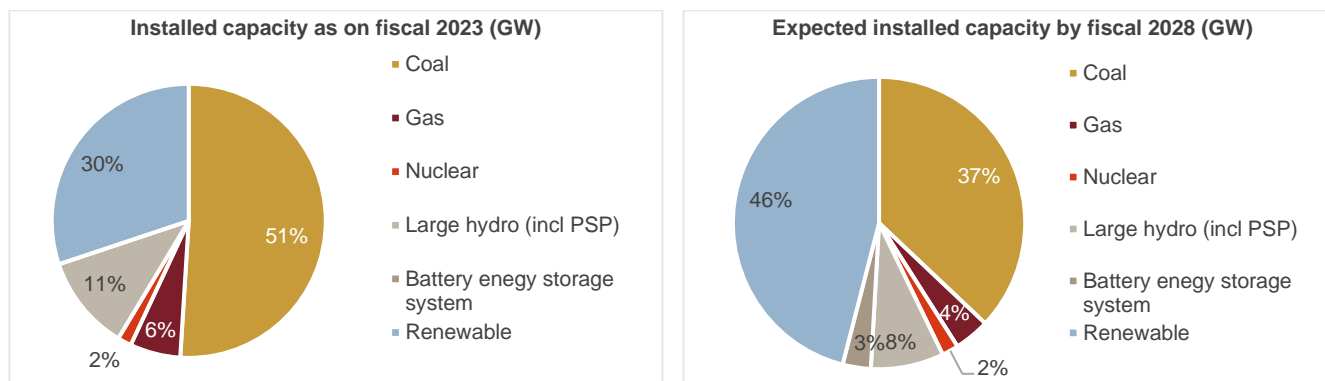
Figure 43: All India installed capacity addition by fiscal 2028 (in GW)



*Includes battery energy storage capacity of 25 GW
 Source: CEA, CRISIL Consulting

The expected installation pipeline would increase the share of renewable capacity (including large hydro and BESS) from 41% in fiscal 2023 to ~57% in fiscal 2028. The share of coal would reduce to 37% from 51% currently over the same period.

Figure 44: Details of installed capacity

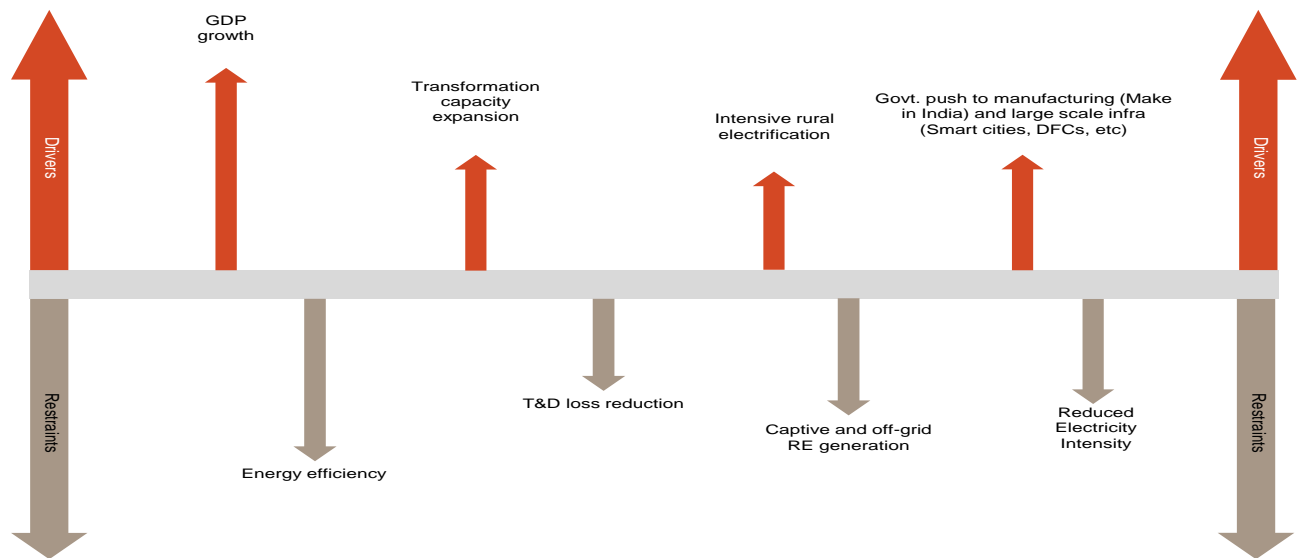


Source: CEA, CRISIL Consulting

Long-term drivers and constraints for demand growth

Power demand is closely associated with a country’s GDP. A booming economy automatically leads to a surge in power demand. India is already the fastest-growing economy in the world, with average GDP growth of 5.5% over the past decade. The trickle-down effect of Aatmanirbhar Bharat relief package, government spending on infrastructure through the National Infrastructure Pipeline, commissioning of the dedicated freight corridors, expansion of the services industry, rapid urbanization, and increased farm income from agriculture-related reforms are key macroeconomic factors fostering power demand. Significant policy initiatives such as 24x7 power for all, Sahaj Bijli Har Ghar Yojana (SAUBHAGYA) scheme to provide electricity connections to all households, green energy corridor to facilitate evacuation of RE power, green city scheme to promote the development of sustainable and eco-friendly cities, Production-Linked Incentive (PLI) scheme and low corporate tax rates among others have aided large scale manufacturing in India, further boosting power demand in the country.

Figure 45: Factors influencing power demand



Source: CRISIL Consulting

Apart from macroeconomic factors, power demand would be further fueled by railway electrification, upcoming metro rail projects, growing demand for charging infrastructure due to increased adoption of electric vehicles, higher demand from key infrastructure and manufacturing sectors. However, increasing energy efficiency, a reduction in technical losses over the longer term, and captive as well as off-grid generation from renewables would restrict growth in power demand.

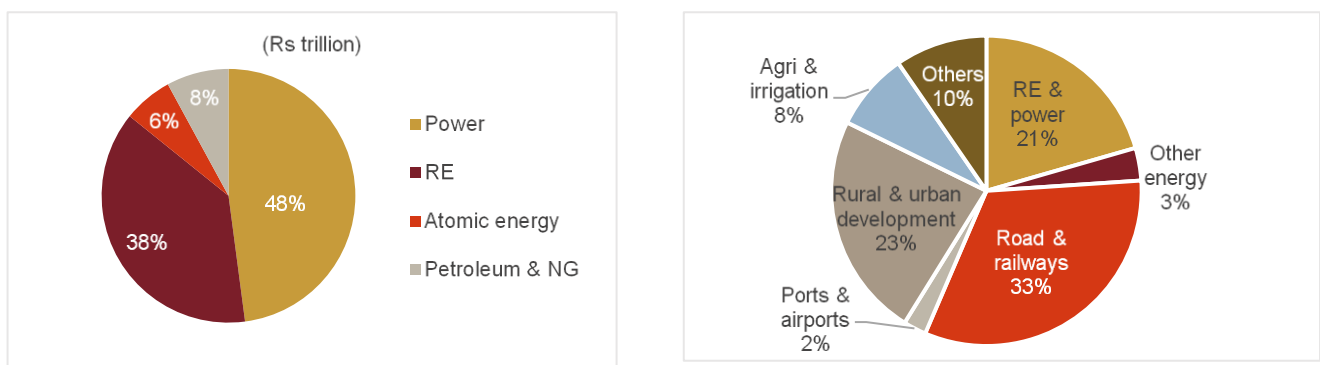
Proposed investments in the power sector

National infrastructure pipeline

The National Infrastructure Pipeline (NIP) is a roadmap to boost infrastructure across India and showcase investment opportunities in the domestic infrastructure sector, improve project preparation and attract investments into the country. The NIP aims to raise investments for key greenfield and brownfield projects across all economic and social infrastructure sub-sectors on a best-effort basis.

A total investment of ~Rs 102 lakh crore has been proposed between the fiscals 2020 and 2025 out of which around 24% has been allocated to the energy sector. The allocation of projected capital expenditure is as follows:

Figure 46: Proposed investment in the energy sector under NIP and the share of key infrastructure sectors

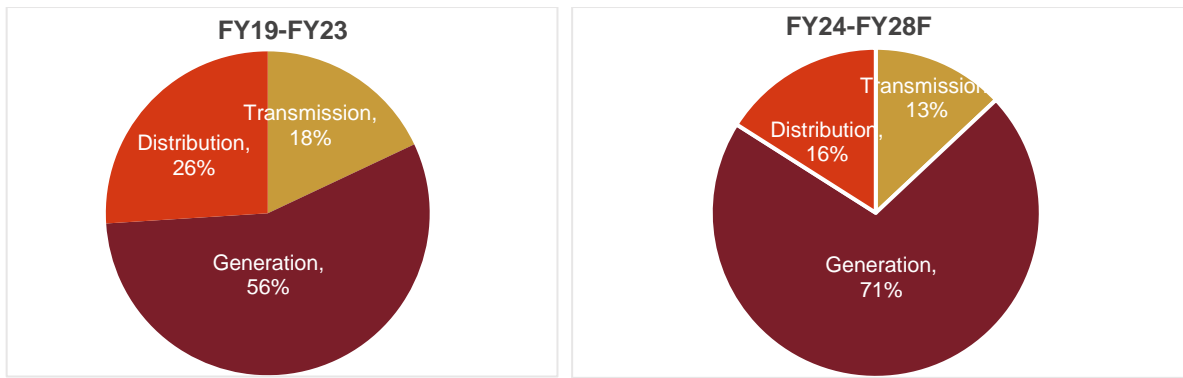


Source: CEA, CRISIL Consulting

Investments in generation, transmission, and distribution infrastructure

CRISIL Consulting projects investments of Rs 16-16.5 trillion in the power sector over the next five years. The share of investments in generation is expected to increase and that of distribution to decrease over the next five years compared with fiscals 2019-23.

Figure 47: Segment-wise break-up of total investments shows dominance of the generation segment



Source: CRISIL Consulting

Investments in the generation segment are expected to almost double from ~Rs 6 trillion to Rs 11 trillion over the next five years driven by renewable and conventional capacity additions of 155-160 GW. Investments in distribution to remain flat over the next five years at Rs 2.7 trillion, on the back of RDSS envisaged over fiscals 2022-26. Transmission sector investments will grow to Rs 2.15 trillion, led by upcoming ISTS and green energy corridor (GEC) projects.

Investments in generation will be led by RE capacity additions, followed by investments in conventional generation and flue gas desulphurization (FGD) installations, indicating a shift in fund flows towards enhancing clean energy supply. Investments in RE capacity, which are expected to more than double over the next five years, in line with capacity additions, will constitute over 65% of overall generation investments. Investments in the segment will be bolstered by ~40% increase in conventional generation investments over the next five years as against the last five years, as new coal-based plants will be set up to meet the fast-growing peak load demand and increased installation of emission controlling FGD equipment in thermal stations. Total generation investments are expected to grow 85-90% over fiscals 2024-28 compared with fiscals 2019-23.

To service a large generation installed base, the estimated investment in the transmission sector is expected to cumulatively reach ~Rs 2.15 trillion for fiscal 2024-28 driven by the need for a robust and reliable transmission system to support continued addition in generation capacity and the strong push to the RE sector as well as rural electrification. Also, strong execution capability, coupled with the healthy financials of PGCIL, will drive investments.

In the Union Budget 2021-22, the government announced RDSS worth Rs 3.04 trillion for state discoms, to be allocated over the next five years, Rs 1.65 trillion worth of detailed project reports (DPRs) have been sanctioned by nodal agencies (PFC and REC) as of June 2022. Investments in the segment are likely to pick up gradually from this fiscal onwards with central/state government(s) expected to provide the required funding support. The distribution segment is expected to attract investments worth Rs 2.5-3 trillion over fiscals 2024-28 compared with ~Rs 2.8 trillion over the last five years, led by the government's thrust on improving access to electricity and providing 24x7 power to all.

The share of the private sector in overall power sector investments during fiscals 2024-28 is expected to increase to 48% from ~30% over the past five years largely driven by renewable capacity additions, bulk of which are funded by private investments. The share of State sector to reduce to 30% from 46% and Central Sector from 24% to 16% over the said period.

Overview of the sector's key challenges and risk factors

Low power offtake by discoms and credit risk

Despite significant availability of power (as reflected in low plant load factors (PLFs) of coal-based plants of ~59% in fiscal 2022), offtake by discoms in various Indian states is low on account of their weak financial position. In fact, some discoms opt for load shedding instead of buying power as they face revenue under-recovery (a gap between average cost of supply (ACS) and average revenue realised (ARR), also called ACS-ARR gap). The national average of under-recovery was Rs 0.48 per kWh in March 2023 (as per UDAY portal). Also, counterparty credit risk arising from the weak financials of discoms is an underlying risk as reflected in the high receivables of generation companies (gencos).

Financial health of generators

Private sector coal-based plants without long-term power purchase agreements (PPAs) are stranded due to low offtake. Their overall PLFs in fiscal 2023 stood at ~56.64%, marginally higher than 53.48% in fiscal 2022. Their financial position has deteriorated, with declining sales, reduced net margins and a rise in the gearing ratio.

With their financial health remaining weak despite the implementation of UDAY, discoms are not expected to sign fresh long-term PPAs over the medium term owing to excess tie-ups in the past. Thus, the debt servicing ability of private players is expected to remain weak and affect projects that are operational and under construction.

Fuel availability

For thermal plants, which form 80% of installed capacity of conventional energy, fuel accounts for a large proportion of

operating costs at 75-80%. Over fiscals 2011-14, domestic coal availability was a major issue as total non-coking coal production grew a mere 1.7% owing to stringent environmental regulations. This partly contributed to a decline in PLFs from ~75% in fiscal 2011 to ~56% in fiscal 2023. Also, players were compelled to rely more on expensive imported coal which adversely impacted returns of players.

Despite increasing coal production, insufficient rake availability led to inadequate coal despatches to plants, who were reeling under increased power demand. However, going forward, coal-based plants will be increasingly utilised for flexible operations to service rising peak demand, particularly those plants commissioned over the past decade and those in the commissioning pipeline.

On the gas front too, there are challenges. Availability of domestic gas reduced sharply after production from Reliance Industries' KG-D6 field plummeted. Over the years, government support for gas-based generation in terms of gas supply assurance has dwindled, thereby leaving gas-based plants, which typically operate on domestic gas, short on fuel supply. The same is reflected in PLFs of gas-based plants remaining stagnant at 22-23% over fiscals 2017-21, with private sector plants operating at an even lower PLF of 15.6% in fiscal 2021. In fiscal 2022, gas PLFs fell further to 16.5%, with PLFs of private capacities languishing at ~11% during the fiscal.

Timely execution of projects

Power projects are highly capital intensive and have a long gestation period. Therefore, completion of projects in a time bound manner is very critical for developers to avoid huge time and cost overruns. In the past, thermal power projects witnessed significant cost overruns on account of delays in getting clearances, land acquisition and achieving financial closure. In fact, certain projects saw cost overruns as high as ~70% resulting in total project expenditure escalating to Rs 75 million per MW from an initial estimate of Rs 45 million per MW.

Hydro power projects have also been crippled due to execution challenges. Securing necessary approvals (environmental and forest clearances); land acquisition; relocation of project-affected people; inadequate infrastructure for power evacuation; and other logistical issues have constantly hampered the pace of project execution in the sector. Moreover, any delays in commissioning of projects further raises the cost of the project. This, in turn, escalates the power tariff, thereby increasing the power purchase cost of discoms, making them reluctant to buy electricity from such projects.

Changes in emission norms

Coal-based plants need to adhere to emission norms prescribed by the Ministry of Environment, Forest & Climate Change (MOEF&CC). There is additional capital expenditure associated with the equipment to be installed for keeping emissions below prescribed levels. Thus, any revision in such norms has a cost impact on the generators.

In December 2015, the government notified the revised standards for coal-based thermal power plants in the country, aimed at minimising pollution and limiting water usage. E.g., upgrade of electrostatic precipitators (ESP); installation of FGD plants and modification of combustion systems; and upgrade of cooling towers to reduce specific water consumption would escalate the capital cost of coal-based plants by Rs 1.5-2.0 million per MW, that too if adequate land is available for expansion. If land is not available, the cost could rise further. Although capital expenditure incurred towards these modifications can be passed on to discoms, it requires approval from the respective regulatory commission and the PPA clause should also allow it.

Regulatory and policy issues

After the cancellation of coal block allocation in September 2014, a number of plants were stalled due to lack of fuel. Although the latest coal linkage policy notified in May 2017 – SHAKTI – aims to resolve this bottleneck, it has added a clause for providing discounts on existing PPA tariffs which would hurt project returns. Also, denial of compensatory tariff on account of international price changes, cancellation of PPA bids by Uttar Pradesh, backing down of wind and solar generation despite their 'must-run' status, and re-negotiation of PPAs are some of the key risks affecting the generation sector.

Current state of discom financial health

Review of AT&C loss and ACS-ARR gap of state discoms

Distribution is the final and critical link in the power sector value chain. However, the financial position of the distribution sector has significantly deteriorated over the past decade owing to irregular tariff hikes, high aggregate technical and commercial (AT&C) losses, and delays in subsidy payments by state governments. This has adversely impacted power offtake by discoms and led to delays in payments to generation companies. Both the financial and operational performance of discoms started to improve post implementation of Ujwal DISCOM Assurance Yojana (UDAY), but the situation reversed and worsened again once the scheme ended in March 2019.

The UDAY scheme envisaged reduction of the cost of power through measures such as additional supply of domestic coal (at notified prices), coal linkage rationalisation through swap agreements, supply of washed and crushed coal, and supply of cheaper power from NTPC and other central public sector units (as part of central allocation of power to states), if available through a higher plant load factor. Implementation was mixed with policy-level support but limited traction on the ground. While coal linkage rationalisation under the SHAKTI scheme did benefit several projects, and domestic supply also improved,

the effect has been temporary or partial.

Improvements in operational efficiency

AT&C losses reduced to 16.5% in fiscal 2022, significantly lower than 19.9% in fiscal 2020 and 21.5% in fiscal 2021. AT&C losses were considerably high in fiscal 2021, as COVID-19 adversely impacted both billing and collection efficiencies. However, AT&C losses reduced by ~3% even when compared with the pre-pandemic level (fiscal 2020). The AT&C loss trend indicates that the improvement was driven by collection efficiency, which improved from 93.1% in fiscal 2020 to 97.2% in fiscal 2022. On the other hand, billing efficiency remained unchanged at 85.9% during the period.

The ACS and ARR gap for the states narrowed to Rs 0.49 per kWh in fiscal 2018 from Rs 0.58 per kWh in fiscal 2017 but expanded to Rs 0.83 per kWh at the end of fiscal 2019, indicating reversal of some of the gains achieved through reduction in power purchase costs, interest burden and AT&C losses over the past three years. The cash-adjusted ACS-ARR gap stood at Rs 0.79 per unit as of March 2020 and widened further to Rs 0.89 per unit as of March 2021, indicating further deterioration in discoms' financial profiles. However, the gap narrowed to Rs 0.40 per unit as of March 2022, reflecting improved financial conditions of reporting discoms.

The power distribution sector suffers from high trade payables with days payable averaging 160 days nationally, as opposed to the benchmark of 45 days specified in LPS Rules, 2022. With the sector making losses and facing liquidity crunch, reducing trade payables remains challenging.

As a result of operational inefficiencies and financial losses incurred over the years, state discoms have accumulated a significant debt burden. After completion of UDAY scheme, discoms' debt rose over fiscals 2020 and 2021 as revenues fell on account of weak power demand. Total debt of state discoms increased 24% from Rs 5.01 trillion in fiscal 2020 to Rs 6.20 trillion in fiscal 2022. If current fiscal and operational issues persist, CRISIL Consulting expects total debt across state discoms to increase to Rs 9-10 trillion by fiscal 2027.

Distribution reforms planned by the government to revive the sector

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

- *Rs 3 trillion Revamped Distribution Sector Scheme (RDSS) aiming to improve operational and financial parameters of discoms* — In Union Budget 2021-22, the GoI announced the RDSS with an outlay of Rs 3.04 trillion, partly funded by the GoI to the tune of Rs 976 billion, aimed at reducing financial stress across discoms. The package, slated to be distributed over the next five years, will subsume other schemes (DDUJY and IPDS) under its ambit. As has been the case with the Aatmanirbhar Bharat discom liquidity package, PFC and REC will be the key nodal lenders for disbursement of funds to discoms. The GoI has laid down the guidelines and criteria for availing funding under the scheme, which aims to improve operational efficiency, distribution infrastructure, and governance and compliance standards of state discoms. The key criteria proposed in the scheme are explained below.

Figure 48: Key criteria of RDSS

Parameter	Target/objective under RLDS	Current status	Potential and Impact
ACS-ARR	National target of zero by fiscal 2025	Avg. ACS-ARR gap has increased from Rs 0.55 per unit in fiscal 2017 to Rs 0.77 per unit in fiscal 2022 due to worsening in fiscal 2021. Exception states were Gujarat, UP, Rajasthan, Andhra Pradesh and Maharashtra, which saw ACS ARR reduction in fiscal 2022 over fiscal 2017	Stringent cost-cutting through shift towards cheaper sources of power such as RE, efficient management of operating costs, capital support through equity infusion and access to low-cost debt is required to be combined with timely tariff hikes in order to achieve the target. Weaker states are likely to remain laggards, however efficient states such as Gujarat Maharashtra and Andhra Pradesh could lead the pack, offsetting performance of weak states.
AT&C losses	National target of 12-15% by fiscal 2025	AT&C losses of states under consideration reduced from 23.2% in fiscal 2017 to 20.7% in fiscal 2022, incentivized by UDAY reforms and improvement in billing and collection efficiency. However, certain states such as Telangana, and Madhya Pradesh have seen an increase in losses. The losses for these states after increasing to 24.2% in fiscal 2021 due to pandemic impact on collection efficiency in fiscal 2021, are likely to moderate to 13-14% by fiscal 2027.	Improvement in billing efficiency through strengthening of distribution network, installation of smart meters, and theft reduction, as well as increase in collection efficiency through pro-consumer payment mechanisms, incentivising timely payments, and improving collection systems could be instrumental in meeting the target. Weaker states such as Uttar Pradesh, Bihar, Madhya Pradesh and Andhra Pradesh, will have to exhibit substantial improvement for achieving the target

Parameter	Target/objective under RLRDS	Current status	Potential and Impact
Tariff Reforms	Cost-reflective tariff to ensure profitability	Historically, tariff hikes have not been in line with increase in power purchase costs (PPC), resulting in under-recovery of costs for state discoms and affecting their profitability.	Cost-reflective tariffs could ensure fair recovery of costs through increased revenue, resulting in improved profitability. However, higher tariffs could translate to increased cost burden on consumers, particularly industrial and commercial categories that are already paying higher tariffs due to cross-subsidisation.
Direct Benefit Transfer (DBT)	Direct transfer of the subsidy to end-consumers	Currently, subsidy is transferred by state governments to respective discoms for power supplied to subsidised consumer categories, typically agri. consumers, with subsidy received-to-booked ratio at 99% in FY22 for states under consideration. However, certain states such as Madhya Pradesh, Karnataka and Telangana are known to have weaker performance than peers. The ratio is expected to remain stable at over 99% considering RDSS mandate of compulsory payment of pending subsidy.	DBT is expected to shift financial burden from discoms to consumers and state governments, with subsidised consumers having to pay designated tariffs, even as state govt. has to make timely direct transfers to concerned consumers. However, states with weaker finances could falter in payments, which could trigger defaults by subsidised consumers, thereby impacting collection efficiency and profitability of respective discoms.
Working capital rationalization	Payables days to Creditors for the year under evaluation to be equal to or less than the projected trajectory	Payables to power gencos remain abysmally high due to weak financial position of state discoms, largely on account of stretched receivables from consumers, particularly economically weaker sections and government departments. Funds disbursed under Atmanirbhar Bharat discom liquidity package have aided repayments to gencos in fiscal 2021 and fiscal 2022, however payables persist at alarmingly high levels.	Timely payments by consumers are essential to improve liquidity position of state discoms', which, in turn, can reduce payables days, thereby improving working capital cycle. Increasing collection efficiency and successful implementation of DBT could be crucial for the same.

Parameter	Target/objective under RLRDS	Current status	Potential and Impact
Hours of Supply (Rural)	Govt. aiming for 24*7 power for all under a parallel program	Rural areas received power supply for an average ~20 hours daily across India as of June 2022.	Reducing leakages in distribution network through timely infrastructure upgrades as well as improving billing and collection efficiency in rural consumers could facilitate achievement of the target.
DT metering and Smart metering	Non-Agri. and Agri. DT metering to be completed by June 2023 and March 2025 respectively Smart metering to be completed by March 2025	DT metering in urban and rural areas has reached 95% and 68% as of July 2021, whereas smart metering has reached ~10%.	100% DT metering and smart metering could enable accurate and timely tracking of power consumed, thereby increasing billing efficiency of discoms, consequently reducing their AT&C losses
Corporate Governance and Compliance	Discoms to publish audited annual accounts by December-end of following fiscal year for the first two years of the scheme, and by September-end from third year onwards Tariff orders to be issued by SERCs by April 1 of new fiscal year	Audited annual accounts are typically published by state discoms after a lag of at least 12 months, whereas tariff orders are issued by SERCs 4-8 months after commencement of a new fiscal year.	Timely filing of tariff orders and annual accounts could ensure efficient implementation of new tariff schedule as well as improve overall governance standards and compliance of discoms.

Source: MoP, CRISIL Consulting

- The *letter of credit* (LC) mechanism was also implemented in August 2019. This order mandated discoms to issue LCs or provide payments upfront before purchase of power.
- In June 2022, the MoP notified Late Payment Surcharge and Related Matters Rules, 2022, to tackle the mounting payables to generation companies and transmission companies. The rules provisioned for converting discoms' outstanding dues to these companies into equated monthly instalments (EMIs) for gradual liquidation of these dues. Further, to promote timely payment of current power bills, the power supply would be regulated for discoms that fail to clear their bills one month after the due date of payment or two-and-a-half months after the presentation of the bill by the generating company.

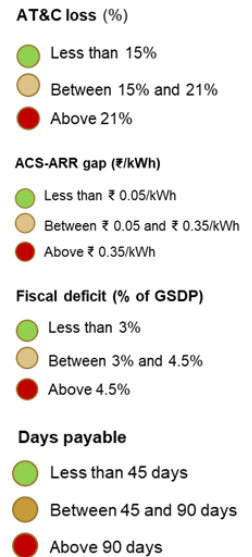
Assessment of key off-taker entities

Distribution utilities

CRISIL Consulting has bucketed states based on their operational performance, infrastructure growth, and the respective state government's ability and willingness to support them. The details are as of March 2022.

Figure 49: Most state entities within moderate-to-weak band

	State	AT&C loss (%)	ACS-ARR gap (₹/kWh)	Fiscal deficit (% of GSDP)	Days payable	PFC Rating FY22
Strong	Gujarat	9.20%	-0.22	1.51%	0	A+
	Karnataka	11.10%	-0.73	2.84%	179	A/B
	Haryana	13.80%	0.03	3.36%	42	A+
Moderate	Andhra Pradesh	10.50%	0.50	3.18%	167	B/C
	Punjab	11.70%	0.08	5.65%	65	A
	Madhya Pradesh	23.13%	0.29	3.80%	316	B-/C
	Chhattisgarh	18.10%	0.46	3.81%	214	C
	Maharashtra	15.50%	0.08	2.79%	177	B-
	Tamil Nadu	13.50%	1.79	4.18%	200	C-
	Telangana	11.60%	1.46	3.88%	366	C-
	Rajasthan	17.13%	-0.25	3.03%	139	B/C
Weak	Uttar Pradesh	28.33%	1.34	4.27%	246	C/C-
	Jharkhand	33.80%	1.81	5.10%	537	C-
	Bihar	30.25%	1.26	11.31%	160	C-



Source: PFC, CRISIL Consulting

Solar Energy Corporation of India (SECI)

SECI is 100% owned by the GoI and is a critical institution in ensuring success of the government’s RE plans and global climate change commitments; thus, strong government support will continue. SECI is also a Category I Trading Licensee from CERC to carry out power trading on a pan-India basis, SECI was accorded the status of Miniratna Category-I Central Public Sector Enterprise (CPSE) on April 10, 2023.

Key advantages for SECI are availability of surplus funds, including free cash balances and cushion available in payment security fund. Encumbered cash balances for providing grants/subsidies/VGF ensure availability of adequate funds, indicating a strong liquidity position. Healthy cash accruals and a debt-free status augur well for SECI’s credit profile, and the LC mechanism and tripartite agreement further safeguard SECI.

Some of the potential risks are CERC, in November 2019, put the onus on both parties to mutually decide trading margins. This could impact SECI’s profitability and is a key monitorable. Further, SECI is in the process of setting up greenfield projects, starting from 10 MW, across India, which could expose it to execution-related risks such as time and cost overrun and funding risk.

Table 6: Key financial indicators for SECI

Particulars	Unit	FY16	FY17	FY18	FY19	FY20	FY21	FY22
Operating income	Rs million	5,740	7,854	11,582	32,351	46,257	54,429	72,848
EBITDA	Rs million	281	722	891	1,786	2,087	2,271	3,153
PAT	Rs million	190	465	647	1,294	1,789	1,777	2,403
EBITDA margin	%	4.9	9.2	7.7	5.5	4.5	4.2	4.3
PAT margin	%	3.3	6.0	5.6	4.0	3.9	3.3	3.3
RoCE	%	17.9	26.0	25.2	40.2	37.2	30.9	22.2
Debt/net-worth	Times	0.1	-	-	-	-	-	-
Debt/EBITDA	Times	0.9	-	-	-	-	-	-
Cash, cash equivalent	Rs million	3,877	10,880	16,015	16,741	17,620	15,915	25,219
Interest coverage ratio	Times	4,424	50	137	67	67	63	77
Trade receivables	Days	85	47	41	80	93	57	49
Trade payables	Days	82	59	80	46	36	31	23

Note: Values given as '-' are nil

Source: Annual reports, credit rating reports, CRISIL Consulting

Credit rating history

Mar 2018	Jun 2019	Jan 2020	Jan 2021	Aug 2021	Jul 2022
AA+ (positive)	AA+ (positive)	AA+ (stable)	AA+ (stable)	AAA (positive)	AAA (stable)

NTPC Vidyut Vyapar Nigam Limited (NVVN)

NVVN was incorporated in 2002, as a wholly owned subsidiary of NTPC to undertake trading of electricity. NVVN holds category-I license and is one of the national nodal agencies for trading in solar power generated under JNNSM Phase-I and for cross border sales. NTPC along with its subsidiaries sells power to NVVN, which is further sold by NVVN to various utilities and discoms.

NVVN has a strong promoter company NTPC and is a critical institution in ensuring success of government's RE plans in line with JNNSM and global climate change commitments; thus, strong government support to continue. It has a healthy business risk profile owing to its status as a nodal agency for Phase-I (JNNSM) and for cross-border sales. Also, NVVNL has a sound relationship with distribution companies and IPPs. These strengths are partially offset by exposure to counterparty risks and the regulated and competitive nature of the power trading industry.

The company enjoys a healthy financial risk profile because of the absence of any long-term debt and comfortable liquidity. The financial risk profile is expected to remain healthy, despite moderate capital expenditure (capex) requirements in the e-mobility segment while there is no major capex requirement in the trading business.

Potential risks include trading margin capped by the CERC for electricity trading limits revenues of trading companies. The risk gets further enhanced due to some private players offering lower trading margin than CERC capped trading margin. NVVNL is in the process of setting up of ground mounted projects of ranging from 10 to 50 MW across India, which could expose it to execution related risks like time & cost overrun, funding risk.

Table 7: Key financial indicators for NVVNL

Particulars	Unit	FY 17	FY 18	FY 19	FY 20	FY 21	FY 22
Operating income	Rs million	53,030	50,630	45,320	44,430	40,370	38,995
EBITDA	Rs million	1237	952	1020	261	1098	1210
PAT	Rs million	764	612	660	180	920	1503
EBITDA margin	%	2.35	1.88	2.25	0.59	2.72	3.10
PAT margin	%	1.45	1.21	1.40	0.40	2.28	3.85
RoCE	%	38.0	30.0	28.9	6.5	29.9	37.9
Debt/Networth	times	-	-	-	0.4	0.2	-
Debt/EBITDA	times	-	-	-	0.6	0.9	-
Cash, cash equivalent	Rs million	1,838	2,530	1,450	530	5,891	5,272
Interest coverage ratio	times	24	97	40	53	18	61
Trade receivables	days	37	58	86	93	81	136
Trade payables	days	61	79	74	69	92	116

Note: Values given as '-' are nil

Source: Annual reports, credit rating reports, CRISIL Consulting

Credit rating history

Feb 2016	May 2017	Aug 2018	Nov 2019	Feb 2021	Jan 2022
AA+ (stable)	AA+ (stable)	AA+ (stable)	AA+ (stable)	AA+ (stable)	AA+ (stable, withdrawn)

Credit rating of the Company was withdrawn in January 2022 due to receipt of no-objection certificate from bankers

NTPC Renewable Energy Ltd (NTPCREL)

NTPCREL is a wholly owned subsidiary of NTPC Ltd (India's largest power utility). NTPCREL was formed with an objective to accelerate RE growth of NTPC and expand the green footprint across the country, offshore and overseas. NTPCREL's strength lies in strong parental support with a robust balance sheet. NTPC has a strong track record of power projects, engineering, construction, commissioning, operation and maintenance, for more than 45 years. It also has long-term relationships with states to support in land acquisition (including solar parks), approvals and bilateral deals. NTPC is a signatory to the tripartite agreement and has the ability to regulate power to support timely payment from discoms. It is a preferred partner for CPSUs and other government entities for signing MoUs.

Some of the potential risks are volatile regulatory framework; competition from established private sector entities; frail financial position of state discoms and project implementation risks.

During fiscal 2021 and 2022, the company's income came from 'interest from deposits with banks (CLTD interest)'; it had no operating income. NTPCREL's total cash balance stood at Rs 706 million and Rs 664 million as of fiscals 2021 and 2022, respectively.

Credit rating history

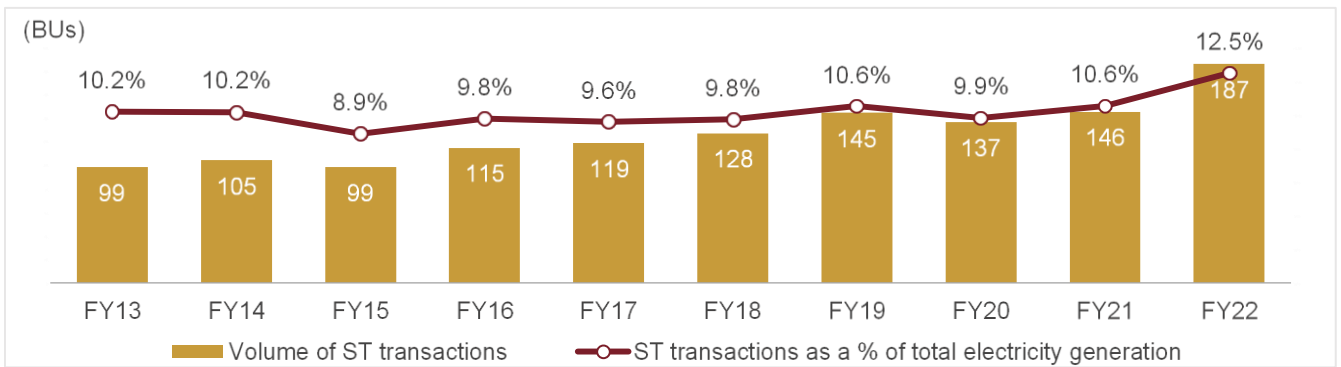
Apr 2021	May 2022	Mar 2023
AAA (stable)	AAA (Stable)	AAA (stable)

Trend in short-term power transactions

Short-term power market in India

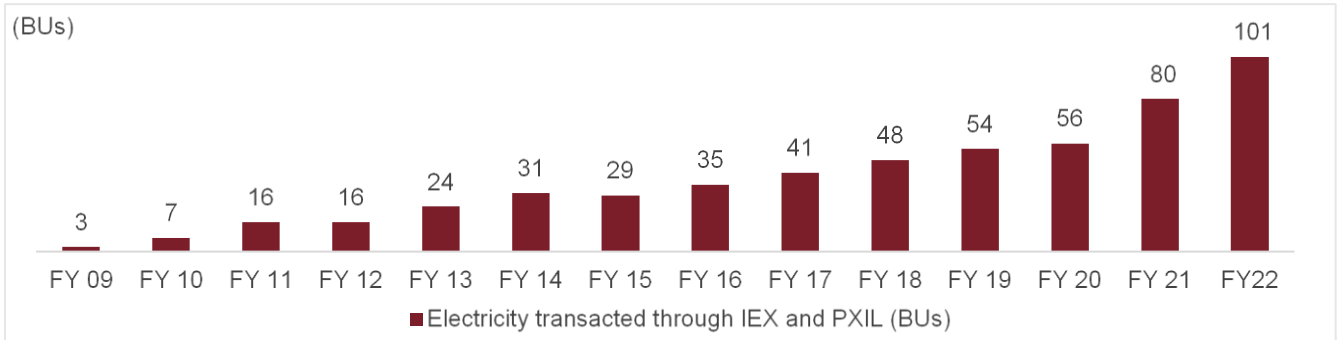
Total volume of short-term transactions of electricity increased from 65.90 BUs in fiscal 2010 to its all-time high of 186.75 BUs in fiscal 2022. Over the period, volume of short-term transactions of electricity increased at a higher rate (CAGR of 9.1%) than total electricity generation (CAGR of 6.9%). Volume of short-term transactions of electricity as a percentage of total electricity generation varied from 8.9% to 12.5% between fiscals 2015 and 2022.

Figure 50: Volume of short-term transactions



Source: CERC, CRISIL Consulting

Figure 51: Transactions through exchanges

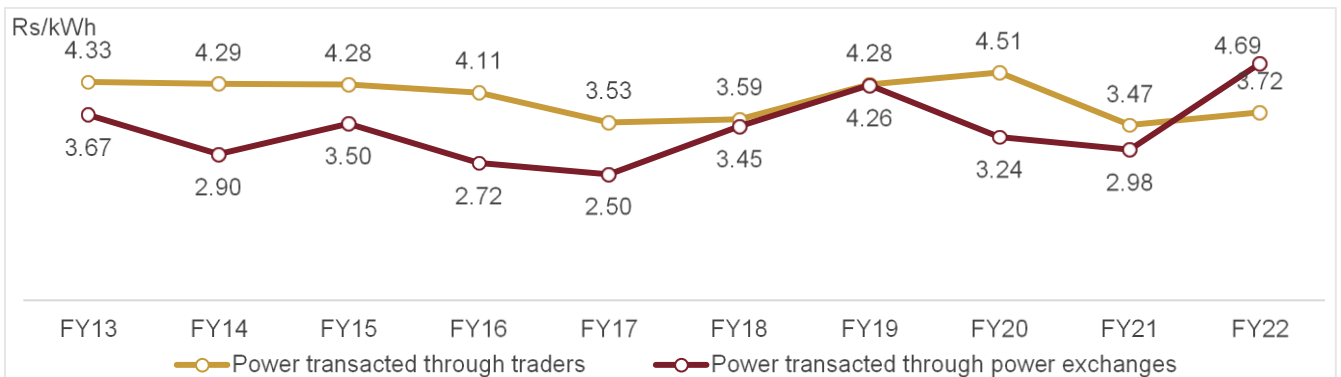


Source: CERC, Annual Report on Short-term Power Market FY21-22, CRISIL Consulting

Average price of electricity transacted

Over the years, the weighted average price of electricity transacted through traders was higher than the price of electricity transacted through power exchanges, except in fiscal 2022 when the price at power exchanges was comparatively high due to various domestic and global factors.

Figure 52: Weighted average tariff of short-term transactions



Source: CERC, CRISIL Consulting

Congestion for volume of electricity transacted through power exchanges reduced to a great extent since grid integration (integration of NEW Grid and SR Grid) in December 2013, which resulted in a declining trend in both the power exchanges from fiscal 2014.

INDIAN SOLAR POWER MARKET

Review of solar energy capacity additions in India

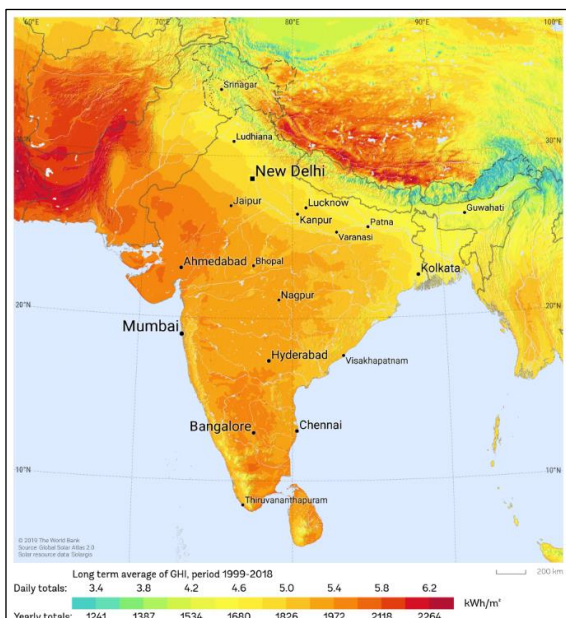
State-wise potential of renewable power

The National Institute of Solar Energy estimated the country's solar potential at 748 GW, assuming solar PV modules cover 3% of the geographical surface. India is an ideal location for solar energy because of its location. It has 300 days of sunshine each year, with daily peak electricity use being in the evenings and a seasonal peak in the summer.

The daily average Global Horizontal Irradiance (GHI) in India is around 5 kWh/m² in north-eastern and hilly areas to about 7 kWh/m² in western region and cold desert areas. The annual GHI varies from 1600 – 2200 kWh/m². Some regions of the states like Gujarat, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu offer more solar irradiance as compared to other parts of India which makes them desirable for installing solar projects.

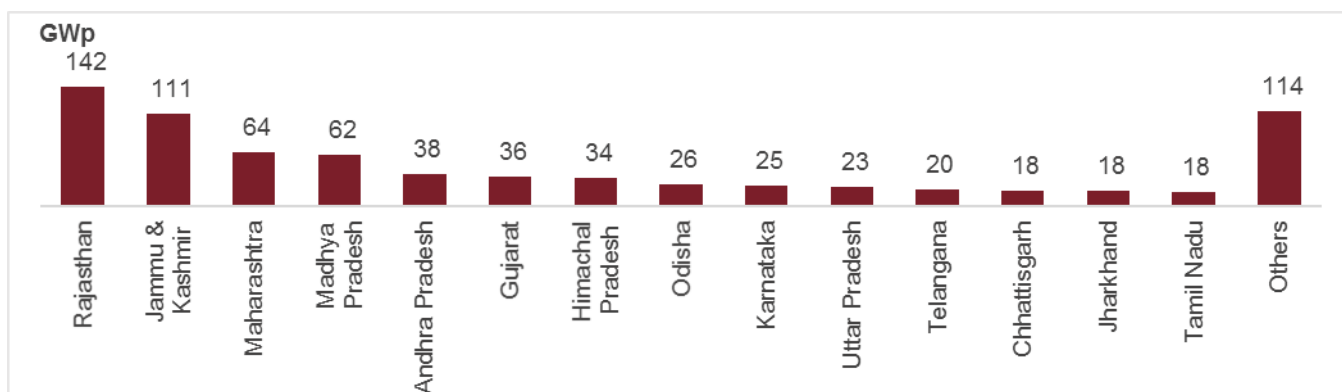
Further, during the summer months India experiences southwest monsoon winds and northeast monsoons during the winters. The Indian summer monsoon typically lasts from June-September in large areas of western and central India, whereas certain regions in South India gets rain during winter months due to northeast monsoon. Consequently, the solar projects located in Southern part of India may get affected during October-December. Additionally, unseasonal rainfall also impacts solar generation adversely.

Figure 53: Solar resource map of India



Source: World Bank

Figure 54 :State-wise solar potential



Source: MNRE, NISE, CRISIL Consulting

Growth drivers for the solar sector in India

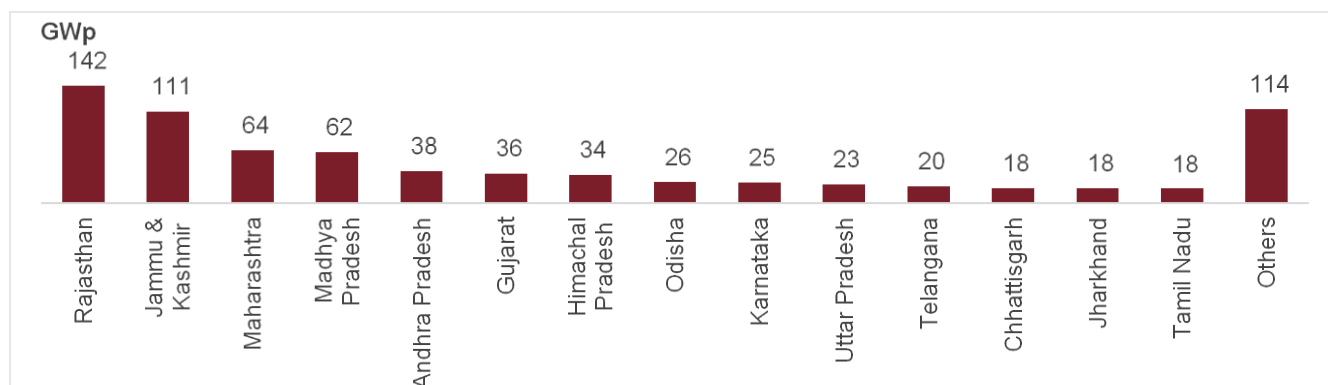
Declining module prices and tariffs

The global average solar module price, which constitutes 55-60% of the total system cost, crashed 73% to \$0.47 per watt-peak in 2016 (average for January-December) from \$1.78 per watt-peak in 2010. In fact, prices continued to decline to \$0.22 per watt-peak by end-August 2019, owing to the wide demand-supply gap in the global solar module manufacturing industry. Historically, global solar demand has been half of the total module manufacturing capacity. Moreover, innovation in the manufacturing processes has reduced costs, putting downward pressure on module prices. Further, declining inverter prices (6-7% of the capital cost), which fell to \$21 per watt-peak by March 2020, reduced system costs. Module prices reached \$0.22 per watt-peak level in fiscal 2021. CRISIL Consulting expects module prices to remain in the range of \$0.24-0.25 per watt-peak in CY2023 for mono-crystalline, lower than CY2022 prices due to a high inventory of upstream components such as wafers and cells, coupled with upcoming capacities in China, which will keep module prices low.

Solar power tariffs have been lower than coal-based power tariffs

In recent years, there has not been any major development in the case of thermal power bidding. However, considering the previously bid prices of thermal power, solar power tariffs have been on the lower side.

Figure 55: Competitively bid solar power tariffs are much lower than coal-based power tariffs



Note: TPP – Thermal power plant; JNNSM – Jawaharlal Nehru National Solar Mission; W.A. – Weighted average levelised tariffs

Source: Details of Case I bids, Bidding of power from stressed assets, CEA; CRISIL Consulting

However, while looking at solar tariffs, one will have to increasingly factor in grid integration costs as the penetration level of RE increases. This is expected to increase the procurement cost from solar power plants.

Strong government thrust

The GoI has laid significant emphasis on climate change, for which it provided a framework, National Action Plan on Climate change (NAPCC), in 2008, where it proposed an eight-pronged strategy — National Solar Mission (NSM), energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture, and strategic knowledge on climate change. GoI has laid significant emphasis on solar power. This is also evident from the 100 GW out of 175 GW target set out by the GoI. Central-level allocations under NRVN Batch II, JNNSM Phase II Batch III and IV have been almost entirely commissioned. Apart from providing incentives, the government has lent significant support to the solar power sector for execution of projects.

Solar parks: One of the most important initiatives by the GoI has been setting up of solar parks in the country. This is critical given the land-intensive nature (~5 acres required per MW of solar PV) of solar projects, coupled with low average holding (1.16 hectare) per person in India. Under the Solar Park Policy released in September 2014, the government planned to prepare land banks for 20,000 MW of solar projects across 25 states. The capacity of the scheme was doubled from 20,000 MW to 40,000 MW on March 2017, to set up at least 50 solar parks by fiscal 2022. Such parks significantly reduce construction/execution risk as they include a contiguous parcel of land, evacuation infrastructure (HV/EHV substation evacuating to state grid substation), and other ancillary infrastructure and utilities such as road, water, and drainage.

Currently, 25 states, including Andhra Pradesh, Madhya Pradesh, Gujarat, Rajasthan, Uttar Pradesh, Karnataka, Telangana, West Bengal, Chhattisgarh, Tamil Nadu, Jammu and Kashmir, and a few north-eastern states, have started preparing land banks for solar parks, either through their own implementing agencies or through joint ventures with SECI. The GoI had approved 57 solar parks with aggregate capacity of 39.28 GW as of February 2023. Out of these solar parks, nine parks are fully complete, and eight parks are partially complete, with a cumulative capacity of 10,117 MW commissioned in these parks.

Although the potential of solar energy is high, there exist a few challenges, which are critical to achieving rapid growth of solar power.

Availability of contiguous parcels of land — With rapid capacity additions and stiff competition, it becomes imperative for developers to acquire land at competitive costs and in areas with high levels of solar irradiance. The 40 GW solar park scheme is facilitative in this aspect; however, beyond that capital costs and, hence, tariffs do fluctuate state to state depending on land prices and irradiance quality.

Adequacy of evacuation infrastructure — Grid integration of renewables is key to the growth of the sector. Instances of delay in readiness of transmission infrastructure at solar parks have caused concern amongst developers. However, an aggressive roadmap to add an incremental ~100 GW via new schemes and existing available capacity to the grid should be adequate for the expected additions. However, timely execution is critical.

Availability of low-cost capital — With the emergence of several large players in the sector, scale and experience have aided fundraising to an extent, especially with the backing of several foreign investors. However, a weak rupee, conservative risk

appetite of lenders and other added cost pressures make it imperative for developers to maintain prudent capital management to sustain over the long term. To mitigate this, developers have been tapping alternative/ new routes to raise money from time to time.

Availability of debt and equity finance to the solar sector

To facilitate growth of RE and, in particular, the solar power sector, the GoI has provided several fiscal and regulatory incentives to developers. These incentives have been elaborated below.

Some steps taken by the government to ensure availability of low-cost finance are as follows:

- Funding from lending institutions such as IREDA and PFS: Government financial institutions such as PTC India Financial Services Limited (PFS), Rural Electrification Corporation (REC) and Indian Renewable Development Agency (IREDA) are also financing many solar projects. As of March 2019, the cumulative debt sanctioned by PFS to RE projects stood at Rs 216.4 billion. Further, IREDA, under its IREDA-NCEF refinance scheme, refinances 30% of total loan disbursed by scheduled commercial banks/ financial institutions to the project developer at a concessional rate of interest. However, projects that are aggressively bid are finding it difficult to achieve financial closure.
- Green bond / masala bonds market: A green bond is like any other bond; however, it invests the proceeds to support green energy or RE projects. The tenure of the bonds typically ranges from 18 months to 30 months and are issued for a tenure of 1-10 years. India is the second country after China to have national-level guidelines for green bonds; in India's case, they were published by SEBI. The green bonds may be issued by the national government; multilateral organisations such as Asian Development Bank, the World Bank or the Export-import (EXIM) bank of the country; financial institutions; and corporations. Some recent instances of green bond issuances in India are given below:
- Pension funds / endowment funds: Pension / endowment funds are expected to play a key role in financing solar projects. Canadian funds such as Brookfield Asset Management and Caisse de Dépôt et Placement du Québec (CDPQ) have already announced a ~\$2 billion investment in India.
- Private equity investments and debt investments: In a quest to reduce the cost of capital for projects and further improve project economics, many players have increasingly resorted to private equity and debt investments to free up capital. The proceeds are used to invest in new projects. Developers have been exploring several diverse instruments / sources to raise finance such as green bond issuances, external borrowings, private placements (qualified institutional buyers), etc. This not only lowers the cost but also frees credit from domestic banks to be used again as initial capital for new projects.
- Funding from multilateral banks and International Solar Alliance (ISA): Further, the government channelises the funds available from multilateral banks and financing institutes such as World Bank and KfW. Funds are also provided to the Indian government under the Climate Investment Fund of the World Bank. For instance, SBI has received ~\$625 million of soft loans with a long tenure of 20 years. On the same lines, KfW Germany provided a 1-billion-euro loan through IREDA for funding solar projects. Further, European Investment Bank has signed a long-term loan of 150 million euros with IREDA to finance clean energy projects in India.

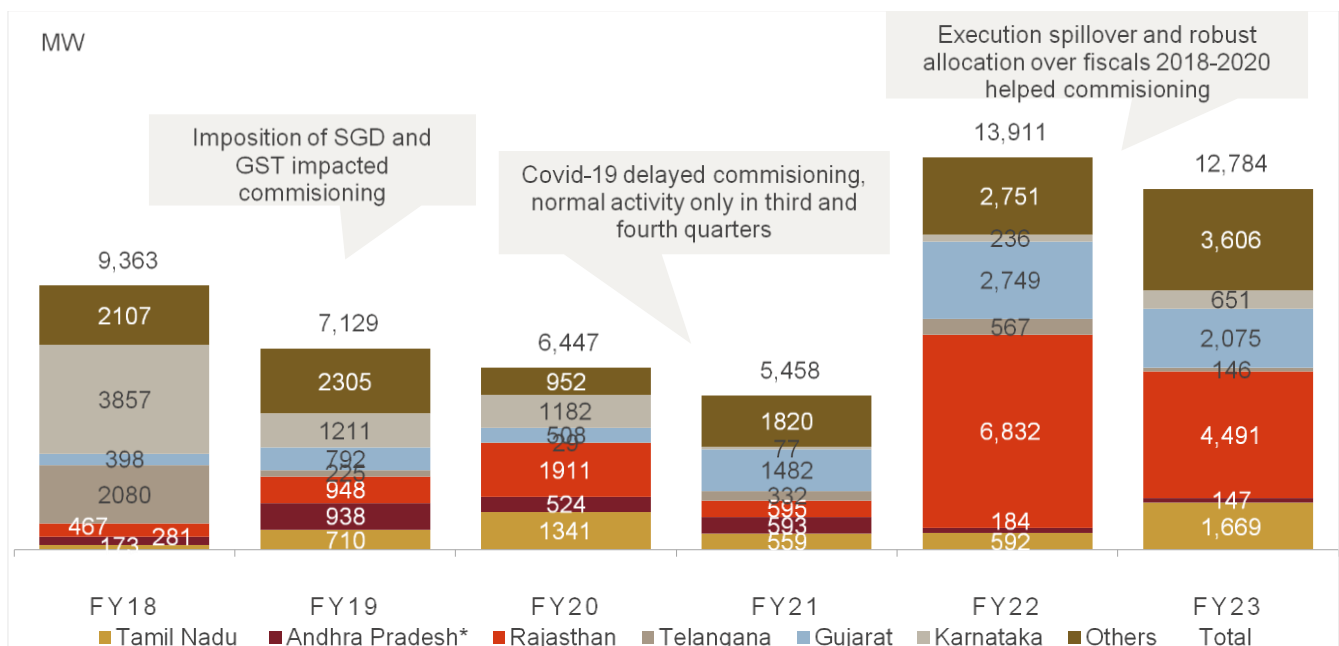
Solar capacity additions in India from fiscals 2018-2023

Robust pick-up in solar additions in fiscal 2022; momentum expected to continue

As much as 54.8 GW capacity was added in the segment over fiscals 2018-23, registering a CAGR of ~25.27%, although on a moderately low base. However, in fiscal 2023, the solar capacity added was slightly lower at 12.78 GW (13.91 GW in fiscal 2022). The sector missed its capacity addition targets for the fifth year in a row. Despite the second wave of COVID-19 infections, fiscal 2022 witnessed solar capacity additions of ~14 GW. In a relief to developers, the MNRE has provided total extension of seven-and-a-half months for the projects affected by the first and second waves of pandemic. This is estimated to have delayed commissioning in fiscal 2022, leading to a spillover into fiscals 2023 and 2024. In fiscal 2023, solar capacity additions stood at ~12.78 GW, with ~2.2 GW coming from rooftop solar projects, led by state-level incentives and the remaining from utility scale. The momentum continued in fiscal 2023, with robust solar capacity additions of ~13 GW.

Commissioning activity has been concentrated in the key states of Rajasthan, Gujarat, and Tamil Nadu, where of ~8 GW capacity was added in fiscal 2023; ~65% share was concentrated in these three states combined. In the previous fiscal as well, the installation trend was driven by the same states. Scheme-wise commissioning was driven by several large projects under SECI ISTS hybrid 1200 MW tranche-I, SECI ISTS hybrid 1200 MW tranche-II, SECI ISTS 2000 MW Tranche IX, SECI 2000 MW CPSU Tranche-I and CPSU scheme Phase-II Tranche I, which got commissioned in the third quarter of the previous fiscal.

Figure 56: States that helped drive solar capacity addition in India



Source: MNRE; CRISIL Consulting

Policy changes, pandemic-related relief and renegotiation have impacted execution momentum

Robust capacity addition is expected from fiscals 2022 to 2024 due to a strong pipeline nearing the end of timeline extensions. Capacity additions slowed since fiscal 2019-2021 in the segment due to several policy and execution-related challenges as mentioned below.

- Abeyance of ALMM (Approved List of Models and Manufacturers):** The ALMM mandate has been kept in abeyance for a year and will not be applicable if a project is commissioned before March 31, 2024. The draft was introduced to give momentum to solar additions which declined in fiscal 2023 due to the unavailability of domestically manufactured modules. The mandate was introduced in 2021 to boost domestic manufacturing by approving the list of manufacturers who could participate in the solar development projects bid out by the government. The mandate was later extended to the government's open-access projects as well.
- COVID-19 restrictions:** The pandemic led to mobility and labour-related challenges in the first quarter of fiscal 2022 and the first half of fiscal 2021, which hampered execution. Further, the MNRE provided 7.5 months of extension for the segment, which was a positive move for developers but delayed commissioning schedules.
- Power sale agreement (PSA) delay:** Nearly 8 GW of auctioned solar projects floated by the SECI were delayed due to challenges in finding off-takers, with PSAs remaining unsigned. This is largely due to the state discoms, who are the major off-takers, increasingly deferring the signing of the PSAs amid lower tariffs of Rs 2.3-2.5 per unit. However, with the government's plan of stricter RPOs, a higher penalty in case of non-compliance, and a revision of tariff in the manufacturing-linked tender from Rs 2.92 per unit to Rs 2.54 per unit, PSA-signing activity increased in fiscal 2022 with ~14 GW of PSAs signed. Further, SECI had also already signed ~1,200 MW till September 2022.
- Infrastructure issues:** Land availability and grid connectivity challenges delayed 5-6 GW of projects. Land acquisition challenges arise since many stakeholders must be involved to acquire large tracts of land in a single location as well as reported delays in solar park infrastructure, leading to a slowdown in the pace of project execution.
- Payment delays:** After the record-breaking tariffs of Rs 2.44 per unit in the Bhadla solar park auctions in May 2017, several state discoms became hesitant to go through with fresh bids, which were at higher tariffs. This created a fear of discoms renegeing on commitments, especially for the duration in which PPAs remained unsigned after the auctions.

Various modes and model of operations

In the current scenario, there are five operating business models for solar PV systems energy projects.

a. Sale of power to discoms

DISCOMs in India are buying renewable power from developers at either feed in tariffs (FiTs) or, in most cases, based on reverse e-auctions conducted by states. Many states have come up with their respective solar and wind policies (involving incentives, such as concessional wheeling and banking charges, nil cross-subsidy surcharge, no electricity duty, etc.) for setting up RE projects. DISCOMs allocate these projects to meet solar and non-solar RPOs and reduce energy deficits in states.

For solar projects over 2009-2013, most states signed PPAs at FiTs determined by the state commissions on the fixed regulated equity return of ~16%. For wind energy projects, states followed the FiTs mechanism till March 2017. However, from fiscal 2018, the sector veered towards competitive bidding.

Apart from the DISCOMs and holding companies, SECI is one of the largest off-takers for solar power in India. The company signs tripartite agreements with discoms and developers and sells electricity to discoms. Recently, SECI signed an agreement with the Indian government and the RBI, in line with NTPC's agreement, to ensure payment security in the event of default by state discoms.

Further, in a first-of-its-kind solar contract in India with a designated interstate open-access consumer, Delhi Metro Rail Corporation (DMRC) has agreed to procure at least 115 million units of solar power from 750 MW Rewa Ultra Mega Solar Park; MPPMCL is another buyer for this project. Further, MPPMCL does not charge any margin money (or trading margin) on the power supplied to DMRC in each contract year under interstate open access.

However, with the introduction of central-level competitive bidding using the reverse bidding mechanism, tariffs crashed, leading discoms have also adopted the e-reverse auctions route. The state PPAs are signed for a 25-year period, either at a fixed tariff or escalated by 10-15 paise per unit per annum for a period of 10-15 years.

b. Sale of renewable power to power trading companies, such as NVVN and SECI under NSM

As a part of the NSM, the government has appointed NTPC NVVN as the nodal agency for buying solar power (competitively bid), bundling it with the existing thermal power units generated by NTPC plants, and selling it to discoms at a bundled cost. The thought process behind this scheme was to reduce the solar power purchase price of discoms and improve the offtake of solar power, since most discoms would be averse to buying solar power at high rates owing to their poor financial condition.

Post the revision of solar capacity target from 20 GW in June 2015 to 100 GW by fiscal 2022, the government has introduced a framework under the NSM to allocate solar capacities under various batches.

The bid tariffs under this scheme are low, on account of the following:

- Availability of infrastructure (land + transmission) under the solar park mechanism
- Lower payment delay/default risk associated with the trading agencies.
- DISCOMs may delay payments for RE, but payments under the NVVN and SECI schemes are on time
- Limited offtake risk
- Availability of strong payment security mechanism in the form of letter of credits and payment security fund, etc.

c. Bilateral agreement for sale of renewable power

Under the bilateral route for sale of power, two parties mutually sign a PPA on the agreed rate without the involvement of discoms in the determination of tariffs. Many large solar and wind energy developers in India are currently developing projects to supply cheaper power to industrial and commercial consumers via bilateral open access of power. Under the mechanism, the developer sets up the project by taking permission and clearance from the discom for the transmission corridor and sells the power to interested parties. The business model is similar to that for captive power consumption, with the only distinction being that the developer is not the consumer for power. Further, given a choice to the consumer to purchase power from the open market (with more than 1 MW connected load), the consumer would prefer cheaper power. Moreover, at current prices, renewable power is highly competitive, compared with industrial and commercial tariffs in large states of India. Further, adequate regulatory support under various state solar policies have favoured the commissioning of projects under this model.

d. Captive/open access sale of power

Under this business model, the existing consumer (industrial/commercial) of the distribution licensee (discom), having power demand for more than 1 MW, can set up its solar plant in the state. It can wheel electricity from the generation plant to its premise using the DISCOM's infrastructure. With the continuous decline in the solar tariffs required for achieving healthy internal rates of return (IRR), and a rise in discom tariffs, solar power has become economically more attractive for consumers. C&I consumers can choose RE sourcing from multiple options with captive/group having added advantages over third-party open access.

Following are the key reasons for the adoption of this business model under the solar space

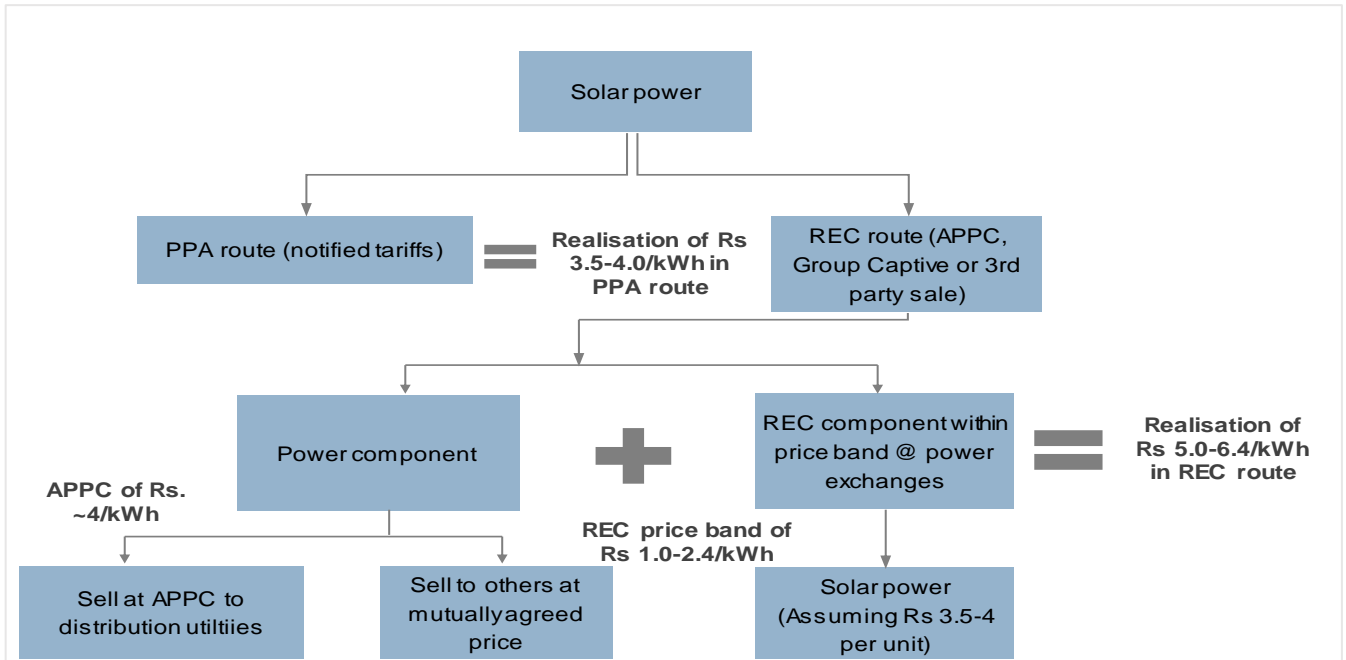
- **High industrial tariffs and declining solar tariffs:** Average realisation of revenues from electricity sold to industrial consumers is Rs 0.80-2.70 per unit higher than the average cost of supply of discoms and is almost twice the realisations of domestic and agricultural consumers

- **Availability of central level incentives:** Consumers setting up projects under this mode can avail the accelerated depreciation (AD) benefit of 40% (from April 1, 2017) on the book profits of the parent company, and, hence, reduce their tax liability. Thus, availing AD benefits can reduce generation cost
- **Incentives at discom level:** Some DISCOMs offer incentives on related open-access charges, such as concessional charges on wheeling and banking of power, concessional/nil cross-subsidy surcharges, no additional charges, such as reactive charges, parallel operation charges, etc.

e. REC mechanism

The green attributes for captive solar power can generate additional revenues for the firm. The solar power generated could be utilised for self-consumption while solar RECs could be sold on exchanges (IEX and PXIL).

Figure 57: REC mechanism



Source: NLDC; CRISIL Consulting

REC prices had been trading at the floor price of Rs 9,300 since 2012, Rs 3,500 post downward revision since January 2015, and Rs 1,000 effective April 1, 2018. The price shot up to Rs 2,000 at the end of January 2020, indicating an increase in demand for solar RECs. However, the CERC in July 2020 sought to remove any minimum (floor) pricing for RECs, which was met by resistance from other market participants.

Trading of RECs halted from the second quarter of fiscal 2021 since the APTEL put on hold the trading of RECs in July 2020. Subsequently, IEX announced a resumption in trading RECs in November 2021. The MoP had also announced revised rules supporting the return to trading and ensuring that the certificates would have extended validity. The revision also includes the decision to make REC certificates valid perpetually till they are sold.

Despite the high risk of RECs remaining unsold, players opt for the REC route in states such as Maharashtra, Karnataka, and Tamil Nadu, where industrial tariffs are more than Rs 6-6.5 per unit. However, this is favourable for players who consume at least a part of the generation for captive use and avail AD, which brings down their generation cost to Rs 2.4-2.6 per unit.

Over the long term, CRISIL Consulting believes enforcement of RPOs is critical for increasing the attractiveness of the REC route and improving capacity additions.

Overview of solar policies in key states

Table 8: Installation targets by key States in Solar/RE Policies

	Rajasthan	Maharashtra	Tamil Nadu	Karnataka	Gujarat	Andhra Pradesh	Madhya Pradesh
Policy	Solar Energy Policy, 2019	RE Policy 2020	Solar Energy Policy, 2019	RE Policy for 2022-2027	Solar Power Policy 2021	Solar Power Policy – 2018	RE Policy, 2022

	Rajasthan	Maharashtra	Tamil Nadu	Karnataka	Gujarat	Andhra Pradesh	Madhya Pradesh
Policy targets	30 GW of solar power by fiscal 2025	12.9 GW by 2025	9 GW by 2023	10 GW of additional RE projects	No specific Target	No specific Target	10 GW RE parks/ hybrid parks by 2027 4 GW RE projects for exporting power outside state by 2024 and 10 GW by 2027

Source: Respective State Policies, CRISIL Consulting

Review of competitive bidding

Positive changes to bidding guidelines undertaken to support bidder interest

For solar projects over 2009-2013, most states signed PPAs at FiTs determined by the state commission on the fixed regulated equity return of ~16%. While for wind energy projects, states followed the FiT mechanism till March 2017. However, from fiscal 2018, the solar sector veered towards competitive bidding.

States like Madhya Pradesh had enabled innovative payment security mechanism to mitigate payment risk of the 750 MW RUMSL project awarded in April 2017. A three-tier payment security mechanism was implemented for the first time in India which included a payment security fund of at least three month's billing, a revolving letter of credit and sovereign guarantee by MP state government to ensure regular payment from the discom to the developer.

Such payment security mechanism was later introduced by MNRE in its tariff based competitive bidding guidelines notified in August 2017 for grid connected solar PV projects. The guideline introduced mandatory provisions for payment security mechanism to the developer in the form of LC and a payment security fund. In addition to this an option to the procurer to provide state government guarantee was also mentioned.

Following section discusses the solar competitive bidding guidelines after the amendment of certain key provisions in September 2020 by MNRE:

- Expanded the definitions of force majeure and outlined the definitions of adjusted equity, debt due and other key terms of the agreement.
- Outlined that in case a state discom is not party to the tripartite agreement (an agreement between state governments, SECI, NTPC and the RBI to ensure payment security), the state will either provide some alternate state government guarantee or pay an additional risk premium of Rs 0.10 per unit towards the payment security fund maintained for paying developers in case of payment delays / defaults. However, the implementation has been lax
- It also states that to maintain the payment security fund (fund maintained by SECI /NTPC to support payment of at least three months' billing), the intermediary may collect Rs 5.0 lakh/MW from the solar power generator. This will be mentioned in the PPA

Also, on July 23, 2021, MNRE announced amendments in guidelines for the tariff competitive bidding process for the procurement of power from wind-solar hybrid (WSH) projects. Following are the key changes:

- SECI will be treated as a procurer, and not a nodal agency
- Hybrid power generator will be allowed to commission the project even partly or fully before the scheduled commissioning date (SCD), provided transmission connectivity is available
- DISCOMs can directly procure power from hybrid power generators, which would help them to procure power at a lower tariff by eliminating the trading margin they had to pay to SECI
- Interstate and intra-state transmission systems at delivery point and transmission infrastructure for which the generator applies for connectivity must be completed before the project's SCD

The MoP has also made amendments to the bidding guidelines for procurement of round-the-clock (RTC) power. The amendment in the order dated February 3, 2022, states that during the bidding process if the allocated quantum of power to the bidder quoting the least weighted average levelised tariff (L1) is less than the total quantum of power to be contracted, then the remaining qualified bidders will be on the basis of bucket filling, which means that capacity will be first allocated to the L1

bidder at the L1 rate, then the capacity will be allocated to the next lowest bidder at the rates quoted by him till the tender capacity is completely exhausted.

On June 6, 2022, the government also made amendments to the open access regulations through the Green Energy Open Access Rules, 2022, via energy banking regulations, changes in minimum contract demand, standardising calculation of charges, etc. These regulations are a positive step towards promotion of the open access market as it ensures:

Overall, the above amendments are a positive for the developers as these amendments grant extension in SCOD for events that have been hampering commissioning, stipulate some form of state government guarantee and ease liquidity in the sector by way of introducing alternative payment security mechanisms, provide positive boost to the open access market and simplify procedures or provide provisions to stimulate bidder interest. However, the sector requires consistent positive regulatory support to spur capacity additions, despite a healthy pipeline.

Table 9: Tariffs discovered in recent biddings

Sr no	Bidding scheme/Tender	Month of bidding	Lowest tariffs discovered (Rs/unit)
1.	500 MW MSEDCL	Sep 2022	2.82
2.	750 MW GUVNL	Sep 2022	2.49
3.	750* MW RUMS	Sep 2022	3.03
4.	105 [#] MW MSPGCL	Oct 2022	3.93
5.	300 [#] MW RUMS	Nov 2022	3.89
6.	255* MW TPDDL	Dec 2022	3.00
7.	500 MW MSEDCL	Dec 2022	2.90
8.	250** MW MSEDCL	Dec 2022	9.00
9.	500 MW GUVNL	Jan 2023	2.51
10.	1250 MW RECPDCL	Apr 2023	2.55
11.	500 MW RECPDCL	Apr 2023	2.69
12.	1000 MW* RUMSL	Apr 2023	3.99
13.	200 MW* SECI	Apr 2023	4.64
14.	500 MW MSEDCL	Apr 2023	2.87
15.	500 MW GUVNL	Apr 2023	2.71

Note: *WSH capacity, **RTC- solar-wind-conventional-storage hybrid, [#]Floating solar

Source: CRISIL Consulting

After registering lowest tariff of Rs. 1.99/kWh in December 2020, the solar tariffs have bounced back and witnessed more than 20-25% increase. The Increase can be attributed to increased project cost, implementation of BCD, requirement of ALMM and DCR, increased demand coupled with regulatory and policy risks.

Review of project economics and levelised tariffs for solar PV power plants in India

Tariff of Rs 2.8-3.0 per unit would be required to generate 10-12% IRR with the imposition of Basic Custom Duty (BCD) and supply-side issues

CRISIL's base-case analysis is for an IPP undertaking EPC in-house and using imported modules, given that this is the most prevalent model. Additionally, due to variations in land prices, the model has been based on a solar park scenario, with charges modelled for the Bhadla solar park, Rajasthan. CRISIL has not assumed any other source of income like income from carbon credit.

For analysis of project economics, following key assumptions were made based on interactions with project developers and bankers:

- **Capital cost:** CRISIL has assumed an equipment cost of Rs 55-60 million per MW (including DC side overloading at 40%) for a project based on imported modules. CRISIL has also assumed some inverter overhaul charges in the 13th year of the project. These assumptions are based on landed monocrystalline module costs of ~\$0.27, in addition to the BCD of 40% and GST rate of 12%.
- **Capacity utilisation factor (CUF):** CRISIL has assumed a CUF of 26.5% based on an all-India average CUF and the favourable impact of DC side overloading, which has been assumed at 40%.
- **Debt to equity:** CRISIL has assumed a debt-equity ratio of 75:25, based on the typical capital structure of projects under operations.

- **Foreign borrowing costs:** CRISIL has assumed the cost of debt at 8%, with developers availing of various routes to lower the cost of debt, including the option of refinancing debt once assets become operational and the entry of several global participants, who would be privy to lower cost of funding.

Based on the above assumptions (factoring in DC overloading), CRISIL Consulting believes that a levelised tariff of Rs 2.8-3.0 per unit is necessary for an equity IRRs of 10-12% at current module prices. This is applicable for IPPs, which generally do not avail of AD (the accelerated depreciation benefit allows depreciation of 40% of the capital cost in the first year of commissioning).

Further, PLFs are another important aspect of tariffs; a 1% change in PLFs can increase equity IRRs by 125-175 bps. Consequently, projects located in high irradiance states such as Rajasthan, where projects have reported PLFs of 21% (without overloading based on irradiance), would enjoy higher IRRs.

Also, capital costs and bid tariffs would vary based on the following scenarios:

Scenarios	Module Price (\$/Wp)	BCD	Capital cost (Rs million/MW)	Tariff (Rs/kWh)
Module is imported	0.25	40%	55-60	2.8-3.0
Cell is imported and assembled in India	0.29	25%	47-52	2.7-2.9

Source: CRISIL Consulting

Hence, CRISIL Consulting believes that to generate 10-12% IRR, tariffs should be in the range of Rs 2.7-3.0 per unit depending on whether the modules are directly imported, or cells are imported, and modules are assembled in India. The above bid tariffs are considering only changes to module prices and capital costs and keeping other factors such as interest rates, PLF and debt: equity structure, constant. However, it is pertinent to note that these tariffs may differ case to case since these are subject to cost of debt and capital structure adopted.

New business models, however, warrant higher tariffs to maintain returns

Three new tender structures have been issued so far to solve power quality issues – assured peak power supply (PPS), RTC, and the relatively newer thermal bundled with RE. A key feature across these tenders is the increase in the quantum of generation, which was required to be supplied and the PPS tender for stipulating the power to be provided during peak hours. The PPS tender also mandated the use of storage, as that would be essential to supply power during peak hours. Modelling the above three tender structures with basic assumptions (as mentioned in the note below), coupled with industry interactions, has led to the understanding that the higher generation quantum mandated by these newer tenders could either be met using storage components or scaling up the plant capacity, i.e., setting up the plant of capacity larger than its rated capacity.

Thus, to maintain equity IRRs of 10-14% currently seen in regular tenders, tariffs need to be higher than the norm of Rs 2.5-2.75 per unit, nearer to the Rs 3-4 per unit mark. This will mainly be driven by higher capital and operating costs from either a storage element or higher capacity required. Moderation was seen only in the RTC tender, where the stipulated escalation in tariff will lead to higher tariffs.

Table 10: Higher tariff range at Rs 3-4/kWh required to maintain returns similar to regular tenders

	Peak Power Supply	Round the clock	Bundled-thermal and RE
For simplification of comparison, scenarios are based on the assumption of standard 500 MW rated project plant capacity			
Key Features	Annual availability required	Minimum annual CUF-40% or 3.504 MUs/MW	Annual availability@90%
	Storage requirement	Mandatory	Annual availability@80%; supply at least 51% of annual energy from RE
	Tariff Condition	Two-part tariff Peak and off-peak tariff	Tariff escalation@4% per annum up to end of 15 th year, fixed thereafter
Assumptions and Output	Generation requirement (MUs)	1752	3942
	Scaling factor for RE component and storage	1.3-1.5X 100% storage	2.5-2.7X No storage
	Expected operating cost (Rs. Mn/MW)	0.6-0.8	0.5-0.7
	Expected Total capital cost (Rs. Bn)	45-50	50-55
	Expected Tariff Range (Rs./kWh) (@14-16% Equity IRR)	4.0-5.0	2.5-3.5
	Players (Capacity auctioned)	Renew (300 MW) Greenko (900 MW)	Renew (400 MW)
Tariff range	Off peak: Rs.2.88/kWh Peak: Rs.6.12-6.85/kWh	Rs. 2.9 with 3% escalation every year	Annual availability@80%; supply at least 51% of annual energy from RE
Key Monitorable	Quantum of storage element, scaling factor, balance between solar and wind to achieve generation requirement		Thermal tie up (existing vs new plants)

Note: The above scenarios are based on the assumption of standard 500 MW rated project plant capacity, module price at \$0.19 per watt peak and a split of 75:25 for solar and wind energy. SECI RTC-II tender of 2.25 GW capacity is likely to be retendered as bidders failed to match L1 tariff

Source: CRISIL Consulting

So far, all three tender models have already seen the first successful allocations, with RTC at 400 MW and PPS tender at 1,200 MW, and thermal-bundled tender at 2,500 MW. In the third type of tender, thermal energy can either be sourced from existing plants or a new setup, each with its own set of challenges. While in the existing plants, power may either be already tied up, funding would be a key hurdle if power is sourced from a stranded asset or a new setup. Consequently, while the newer implementation models improve the dispatchability of power for off-takers, in the current scenario, they would still warrant a higher tariff to be executed. This would be a monitorable as key off-takers, i.e., state discoms, may be hesitant to offtake RE at much higher costs, despite the improving quality. Since these projects are still very new and recently allocated, execution dynamics are yet to be concretely seen. However, due to the lower proportion of such tenders in the overall mix, only ~2.5 GW is expected from these till fiscal 2027 based on the current pipeline. Additionally, CRISIL Consulting expects 6-7 GW of solar capacity to be added from the plain hybrid tender pipeline till fiscal 2027.

Capital cost to rise with BCD imposition and elevated module prices sustaining

The MNRE and Ministry of Finance have approved a BCD of 40% on PV modules. The duty had a direct impact on capital costs, raising them by 10-15%, despite module prices falling from \$0.30 per watt peak in March 2018 to \$0.25 per watt peak by September 2018. This declining duty trajectory provided relief and made procurement possible after June 2019 for all new bids at a duty rate of 15%. DGTR further extended safeguard duty at 14.9% from July 30, 2020, to January 29, 2021, and 14.5% from January 30, 2021, for another six months. Declining duty led to easing of cost pressures, and tariffs also started to reduce. However, with the imposition of BCD from April 1, 2022, capital costs increased to Rs 55-60 million/MW for imported monocrystalline modules and corresponding tariffs would rise to Rs 3.1-3.4 per unit depending on module procurement scenarios outlined above.

A key factor determining capital costs is component pricing, which is mainly imported from China. Solar modules form 55-60% of the total capex for a solar project. Elevated polysilicon prices and surge in commodity prices, such as of copper and aluminium (used in mounting structures and other components), have led to current capital costs mounting up to Rs 55-60 million/ MW, including BCD of 40%. This coupled with the demand recovery in key solar markets such as China, where demand has gained momentum after the COVID-19 led lockdown in the country in 2022, coupled with recovery in key markets of the US and India, which is supporting elevated prices.

CRISIL Consulting expects, in 2023, module prices to remain in the range of \$0.24–0.25 per watt-peak for monocrystalline, decline from 2022 due to a high inventory of upstream components like wafers and cells, coupled upcoming capacities in China, which will keep module prices low. Prices will start moderating in the first half of 2023 with the planned expansion and affected capacities of polysilicon coming online.

Module prices to remain elevated till end of 2023

Earlier, capital costs declined sharply to Rs 30-35 million per MW (without factoring overloading) by March 2018 from Rs 100 million per MW at the end of 2011, because of a sharp fall in module prices, led by significant overcapacity, particularly in China. Chinese players remain key exporters of readymade modules and cells to the Indian domestic market. Historically, module prices have seen a sharp fall due to overcapacities, which persist in the entire value chain from polysilicon to modules in the Chinese market – a major exporter of modules to India – also impacting capital costs. Capital cost remained in the range of Rs 30–35 million per MW due to a relatively slower fall in module prices over fiscal 2019. However, by the end of fiscal 2019, module prices faced a sharp drop of ~17% y-o-y to \$0.19 per watt peak levels from \$0.23 per watt peak levels in March 2019. This led to a fall in capital cost by ~10% to Rs 27-30 million per MW in fiscal 2021.

Apart from supply chain restrictions caused amid the COVID-19 pandemic, which led to excess capacity and weak demand, another reason for the fall in fiscal 2020 was the drop in demand from the world's largest solar market, China, due to a change in internal policy. At the start of June 2018, China's National Energy Administration announced a reduction of the FiT rates by RMB 0.05-0.07 per kWh, limits on capacity additions with distributed generation limited to 10 GW and stopped subsidies for utility-scale solar projects.

Increase in GST rate to 12% also adds to cost woes

The government brought solar power generating systems (entire system, all equipment) under the 12% GST slab and electrical equipment such as transformers, inverters, and cables under the 18% category, applicable from October 1, 2021. All services involved in the development of solar projects also attract GST of 18%. This has caused much consternation in the sector as most projects are set up in the EPC mode (i.e., procurement and services together). Even a simple supply order usually involves a service component, which would again attract GST rates applicable to EPC contracts. The final tax rate would be in the 13-14% range, compared with the earlier 5%.

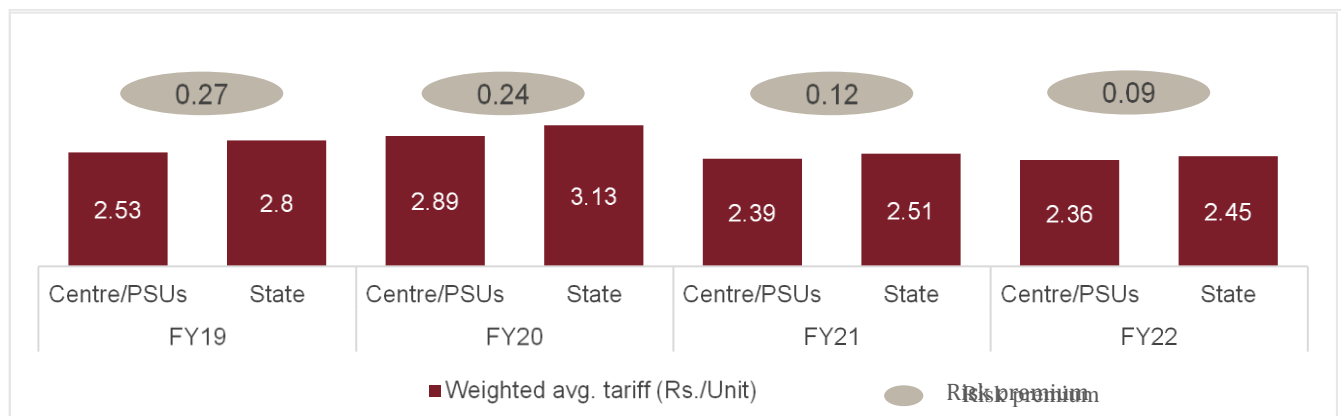
Counterparty risk felt, as sector faces delayed payments

The financial health and payment track record of state counterparties have become a cause for concern over the past 1–1.5 years, as power generators face prolonged delays in payments. The average payment cycle over the past 15 months for state

counterparties has been 4-5 months, while certain states, such as Andhra Pradesh and Tamil Nadu, have been paying beyond six months. This leads to increased cost for developers in terms of working capital needs. In comparison, central counterparties and Gujarat are known to pay within the two months' time frame stipulated in agreements.

The following chart shows the counterparty risk premium that the industry has attached to state bids over the past four fiscals.

Figure 58: Industry attached ~Rs 0.09 per unit as counterparty risk premium in FY22



Source: CRISIL Consulting

The counterparty risk premium was higher in fiscals 2019 and 2020, as the renegotiation incident initiated by the AP state government led to investor appetite dipping, which forced state agencies to be more lenient in their approach in terms of tariff ceiling. The risk premium was lowered to 12 paise per unit in fiscal 2021 and 9 paise per unit in fiscal 2022, mainly due to a better mix in terms of state counterparties.

Lastly, going forward, CRISIL Consulting believes majority tendering and allocation is going to happen under the umbrella of central agencies like SECI and NTPC, which have better bargaining power compared with individual IPPs. However, as more and more projects come online under these agencies, wherewithal of these firms also remains to be tested.

Aggressive bidding in solar projects is expected to be low as the current tariffs have already witnessed a rise

Project allocations in fiscal 2022 witnessed an average bid price at Rs 2.4 per unit. However, allocations under the National Solar Mission for open category projects have witnessed bid prices falling as low as Rs 2.0 per unit. Tariffs remained at average Rs 2.4 per unit for solar only projects awarded in fiscal 2022, which was a decline from the weighted average of Rs 2.45 per unit in fiscal 2021, mainly due to global participation and a lower interest rate regime.

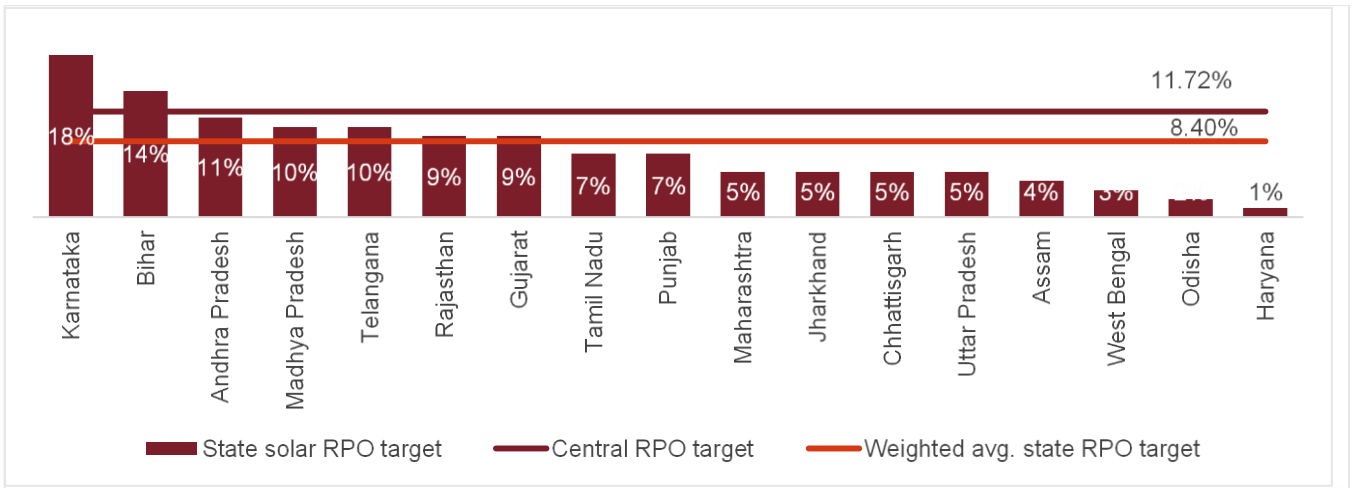
Counterparty of bid, project size, availability of foreign funds and type of Tender (Standalone solar/wind, RTC, Hybrid) play key role in bid tariffs. Under the present circumstances, tariffs have been at Rs 2.8 per unit owing to price volatility and supply scenarios. CRISIL Consulting expects tariffs to reach Rs 2.6-2.8 per unit by fiscal 2024 as developers will factor in lower availability of modules and the subsequent cost pressures arising from limited supply.

State-wise status of solar RPOs in India

To fulfil their RPO targets, as per respective trajectories, states have increased tendering. Key state schemes allocated over fiscals 2018-2022, under which capacities remain to be commissioned, include:

- MSEDCL: 5,401 MW allocated, ~3,389 MW yet to be commissioned
- Gujarat, Phase I – XIII (Phase II scrapped): ~5,900 MW allocated, 3,850 MW yet to be commissioned
- KREDL: 715 MW allocated, 122 MW yet to be commissioned
- UPNEDA: 1,750 MW allocated across states, 457 MW yet to be commissioned
- RUMSL Agar, Shajapur & Neemuch Solar Park: 1,500 MW allocated, entire capacity yet to be commissioned
- BREDA: 250 MW, 200 MW allocated, entire capacity yet to be commissioned. PSERC: 250 MW allocated, 100 MW yet to be commissioned
- RUMSL: 600 MW floating solar yet to be commissioned

Figure 59: Weighted average state solar RPO target lower by 300-350 bps compared to even half of MoP target set for other sources for FY23



Source: MNRE; distribution utility tariff orders, CRISIL Consulting

The MoP has declared following RPO targets till 2030.

Table 11: RPO targets

Category	FY23	FY24	FY25	FY26	FY27	FY28	FY29	FY30
Wind RPO	0.81%	1.60%	2.46%	3.36%	4.29%	5.23%	6.16%	6.94%
HOP	0.35%	0.66%	1.08%	1.48%	1.80%	2.15%	2.51%	2.82%
Other RPO	23.44%	24.81%	26.37%	28.17%	29.86%	31.43%	32.69%	33.57%
Total	24.61%	27.08%	29.91%	33.01%	35.95%	38.81%	41.36%	43.33%

Source: Ministry of Power, CRISIL Consulting

The category called ‘other RPO’ essentially considers solar power and includes energy from storage elements (batteries) charged from renewable sources to propel storage capabilities in the country. With the new targets, the MoP has shifted the burden from wind to solar, as the ‘other RPO’ category increases to ~24% from 10.5% for solar in fiscal 2022.

The overall solar RPO compliance was estimated at 75-80% in fiscal 2022, thanks to the over-achievement of the existing RPO targets by Karnataka, Andhra Pradesh, and Telangana, which have seen rapid solar capacity additions. These three states exceeded their solar RPO targets, and collectively accounted for ~29% of the total installed base in May 2022. CRISIL Consulting believes that strict enforcement is critical for significant improvement and fair distribution of RPO compliance across states.

Table 11: Competitive mapping for solar players in India

Parameters	Mahindra Susten	Adani Green Energy	NTPC RE#	Renew	ACME Solar Holdings	Tata Power Renewable	Avaada Energy	Azure	JSW Energy	Greenko
Total solar capacity planned (MWp)	1,538	20,456	4,315	6,900	5,500	3,675	4,388	7,110	647	2,175
Operational* solar capacity (MWp)	1,538	4,913	2,954	3,700	2,900	2,021	3,963	2,900	647	2,175
Under-execution solar capacity (MWp)	-	15,543	~1,361	3,200	2,600	1,654	425	4,510	-	-
Key PPA signed with	<ul style="list-style-type: none"> • MPPMCL • GUVNL • APSPDCL • SECI • NTPC etc. 	<ul style="list-style-type: none"> • TANGEDCO • MSEDCL • Karnataka ESCOMS • UPPCL • PSPCL • NTPC • SECI • GUVNL • TSSPDCL • Corporates etc. 	<ul style="list-style-type: none"> • MPPMCL • Raj. DISCOMs • AP DISCOM • UPPCL • SECI • TS DISCOMs etc. 	<ul style="list-style-type: none"> • SECI • MSEDCL • APSPDCL • MPPMCL • TSNPDCL • GUVNL • Corporates etc. 	<ul style="list-style-type: none"> • SECI • MSEDCL • GUVNL • MPPMCL • Karnataka ESCOMS • PSPCL • AP/TS DISCOMs etc. 	<ul style="list-style-type: none"> • MSEDCL • TPC-D • KSEB • GUVNL • UPPCL • MPPMCL • Mahagenco • Corporates etc. 	<ul style="list-style-type: none"> • SECI • MSEDCL • DVC • GUVNL • Karnataka ESCOMS • Corporates etc. 	<ul style="list-style-type: none"> • SECI • MSEDCL • Indian Railways • UPPCL • GUVNL • NTPC • APDCL 	<ul style="list-style-type: none"> • PSPCL • Telangana DISCOMs • Karnatak DISCOMs • Corporate (own captive) 	<ul style="list-style-type: none"> • TSSPDCL • TANGEDCO • BESCOM • APDISCOM • SECI • NTPC • HESCOM • Corporates etc.
Recent investment	Rs 711 crore by Ontario Teachers' Pension Plan (OTPP) in September 2022	\$2 billion by Total Energies in 2021	NA	\$268.6 million by CPIB in March 2023	ACME Solar Holdings raised USD 334 million via offshore green bonds in July 2021	Rs 2,000 crore in March 2023 from Green Forest	\$1 billion by Brookfield in April 2023	~ \$238 million by OMERS through 19.36% stake in July 2021	JSW Hydro Energy raised \$707 million through fixed-rate senior secured green bonds in May 2021	Raised \$750 million through offshore bond in Mar-2022 ORIX invested \$980 million with 22% stake in Sep-2020

Parameters	Mahindra Susten	Adani Green Energy	NTPC RE#	Renew	ACME Solar Holdings	Tata Power Renewable	Avaada Energy	Azure	JSW Energy	Greenko
Key investors	<ul style="list-style-type: none"> Mahindra Partners OTPP Board 	<ul style="list-style-type: none"> Adani Trading Services LLP Adani Sb Family Total Energies SE 	<ul style="list-style-type: none"> NTPC 	<ul style="list-style-type: none"> CPPIB ADIA JERA GEF 	<ul style="list-style-type: none"> Actis Petronas Norfund BAML Brookfield Piramal APG 	<ul style="list-style-type: none"> Green Forest New Energies Bidco Ltd BlackRock Real Assets-led consortium, including Mubadala Investment Company 	<ul style="list-style-type: none"> Global Renewable Synergy Company 	<ul style="list-style-type: none"> CDPQ OMERS 	<ul style="list-style-type: none"> Aquarius India Opportunities Fund LIC Authum Investment & Infrastructure 	<ul style="list-style-type: none"> GIC ADIA Orix
Financial parameters (value in Rs crore)										
Latest available data for	FY22	FY22	FY22	FY22	FY22	FY22	FY22	FY 21	FY22	FY22
Operating revenue	595.48	10,706	0.00	6,919.50	1,605	1,403.34	4,839.75	1,500 [@]	8,119	5,669 ^{^^}
EBITDA	88.3	461.00	(0.48)	5,514.40		1,163.45	27.33	1,046	3,560	4,418
Profit after tax	(0.49)	(58.00)	0.11	(1,612.70)	248.00	188.99	(328.03)	(359)	1,743	(566)

*Utility Scale solar; # all solar capacity, including floating solar as of April 2023; key PPAs shown for reference, @ for Azure Power India Pvt. Ltd.; ^^ for Greenko Energy Holdings.

Source: Industry, company websites, investor reports, CRISIL Consulting

Key investments in solar energy segment

Table 12: Key investments in solar energy segment in last few years

Sr. No	Name of the Company	Deal Type	Investor	Deal Value	Date of Investment	Portfolio (MW)
1	Samta Energy	Acquisition	Virescent Renewable Energy Trust	NA	Feb-2023	Solar: 25
2	SolarArise	Acquisition	ThomasLloyd Energy Impact Trust	~39 million	Jan-2023	Solar: ~400
3	Atha Group	Acquisition	BluPine Energy	\$~245 million	Nov-2022	Solar: 404
4	Fortum	Divestment	Actis	\$~350 million	June-2021	Solar :500
5	Azure Power	Acquisition	Radiance Renewables	\$~75 million	Apr-2021	Solar: 152
6	Engie (India)	Divestment	Edelweiss Infrastructure Yield Plus	\$~550 million	Mar-2021	Solar:813
7	Amplus	Acquisition	Petronas	\$~400 million	Apr-2019	Solar :500

Sources: Industry; CRISIL Consulting

Additional investments for wind plus solar are provided in **Table** separately.

Impact of InvITs

Infrastructure investment trusts (InvITs) and real estate investment trusts (REITs) are gaining currency in India, following the footsteps of the developed world. These have been a good way for investors to diversify their portfolio.

InvITs own, operate and manage revenue generating infra projects and operating assets. These are typically long-term investments since projects as well as assets have long term contracts and a life of 15-20 years providing steady cash flow over a long term. Since operating assets are largely strategic in nature, they are shielded from cost and time overruns as well as seasonal fluctuations of demand and supply. Further, SEBI mandates InvITs to invest a minimum 80% in revenue generating operating assets and limits under construction projects at 10% providing risk mitigation from delay in under construction projects. It is also pertinent to note that InvITs keep on adding to the operating assets thereby providing higher growth. Some of the advantages of InvITs include:

Low Risks: Since InvITs are required to make investments in revenue generating operating assets, it is free from risks associated with large under construction infrastructure projects including delay and cost overruns.

Long and steady cash flow streams: As required by SEBI, InvITs are required to distribute at least 90% of the income through dividends and interest payouts thereby giving regular and long-term income.

Regulated by SEBI: SEBI is the Regulator for operations of InvITs and has provided stringent regulatory requirements. It has framed the Rules and Regulations for underlying assets and cash flow distribution thereby providing much required transparency and governance.

Opportunity for diversification: For investors looking for diversification, InvITs provide an excellent opportunity for diversification being free from price related risks.

More liquidity: Retail/ institutional investors are provided with liquidity as InvITs are listed and traded on the stock exchanges like shares thereby giving potential for earnings.

Professional Management: The professional management by designated managers ensure optimal performance and hassle-

free operations.

Superior assets: Usually the underlying assets from the energy sector include transmission lines, solar or wind projects etc. which are of high quality. With 20-25 years of useful life, these assets provide good long-term investing opportunity.

Considering the various benefits associated with InvITs, they suit the investment objectives of insurance companies, corporate treasuries and pension funds. In today's volatile environment with falling interest rates, InvITs provide better returns, appreciated capital and regular dividends. This has attracted many Indian insurance companies, mutual funds, pension funds and corporate treasuries along with foreign institutional investors.

However, renewable energy firms, financial investors and private equity funds, pose as competitors to InvITs in the renewable energy sector when it comes to securing economically appealing renewable energy assets. Factors such as service quality, technological prowess, performance, health and safety of personnel, reputation and experience play an important role in a client's decision making, but the price remains a pivotal factor in these acquisitions.

As of April 2023, there are 20 SEBI-registered InvITs and five REITs. Details of some of the key InvITs in power sector are summarised below:

a. India Grid Trust (IndiGrid)

Established in 2016, IndiGrid is India's first InvIT in the power transmission segment. It owns, operates and manages power transmission networks and RE assets that deliver reliable power throughout India. KKR and GIC are the major private equity investors in this InvIT, and KKR is the sponsor. It manages 42 transmission lines with 7,790 circuit km (ckm) length and 12 substations having 14,550 MVA capacity. It also manages two solar projects with 100 MW_{AC} capacity. Its assets under management (AUM) total ~Rs 21,173 crore.

b. Powergrid Infrastructure Investment Trust (PGInvIT)

Incorporated in 2021, PGInvIT's sponsor is Power Grid Corporation of India Ltd. It was the second listed InvIT in the Indian power sector after IndiGrid. Its underlying assets include five inter-state transmission system (ISTS) projects implemented under the tariff-based competitive bidding (TBCB) mechanism. These include 11 lines with ~3,699 ckm transmission lines and three substations with 6,630 MVA capacity. PGInvIT's AUM totals ~Rs 8,737 crore as on September 30, 2022.

c. Virescent Renewable Energy Trust (VRET)

VRET was incorporated in 2020. Terra Asia Holdings II Pte. Ltd is its sponsor and an affiliate of the funds, vehicles and/or entities managed and/or advised by affiliates of KKR. VRET has a portfolio of 16 operational solar power projects, aggregating 538 MWp, across seven states. All 16 projects have long-term PPAs for 25 years, with central and state government off-takers. VRET's AUM, as per its latest valuation report (March 31, 2022) amounted to Rs 3,850 crore, which increased to Rs 4,250 crore with acquisitions in the second half of fiscal 2023.

d. Anzen India Energy Yield Plus Trust (Anzen Trust)

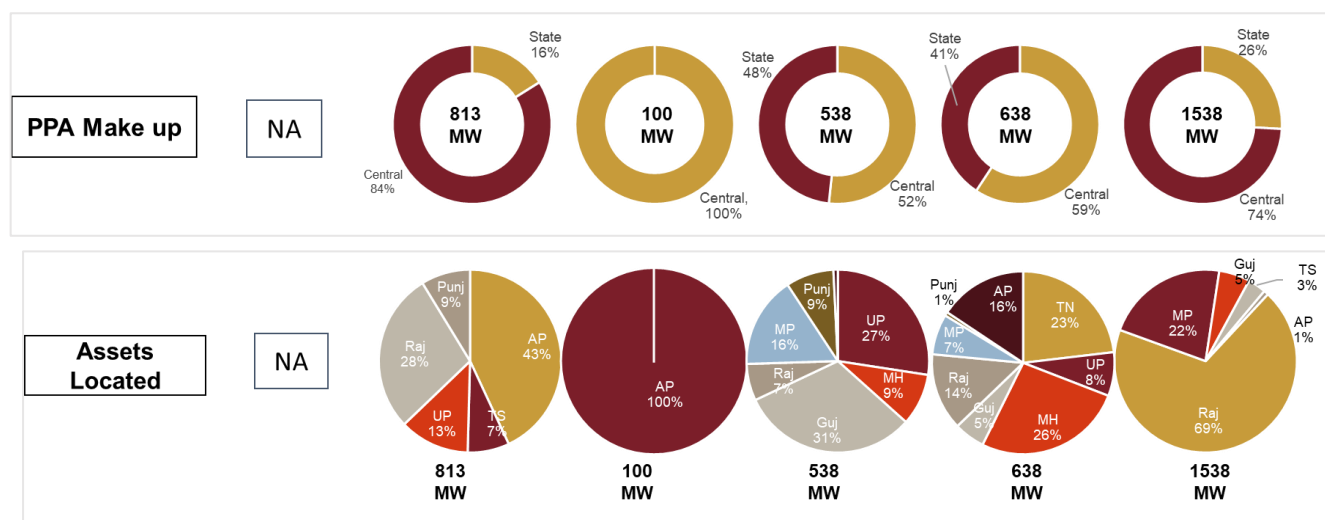
Anzen Trust was incorporated in 2022, and Sekura Energy Private Ltd is its sponsor. It invests in a diversified portfolio of energy assets, including transmission lines and renewable power projects. Anzen Trust has acquired two operating inter-state transmission assets in Punjab, Haryana, and Bihar. These assets have a residual transmission service agreement tenure of over 30 years under the point of connection (PoC) mechanism. Additionally, it also has got the right of first offer (ROFO) on the shareholding of its sponsor/affiliates in 12 solar energy assets with an aggregate generation capacity of ~813 MWp. Its AUM totals Rs 2,330 crore with 855 ckm of two transmission lines and two substations with 1,400 MVA capacity along with ROFO to acquire 74% shareholding in 12 solar projects aggregating ~813 MWp.

Table 13: Comparison of InvITs

Particulars	PGInvIT	Anzen Trust^	IndiGrid	VRET	(IndiGrid + VRET)*	Sustainable Energy Infra Trust#
Renewable assets owned (MW)	NIL	813	100	538	638	1,538
Wind and solar mix (MW)	NA	Solar: 813	Solar: 100	Solar: 538	Solar: 638	Solar: 1,538
Counterparties (MW)	NA	Central: 682 State:131	Central: 100	Central: 278 State:260	Central: 378 State:260	Central:~1140 State:~398
Weighted average residual life of assets (Years)@	NA	Not available	~20.6	~18.3	~18.8	~22.7

^With right of first offer; *Based on proposed acquisition # Proposed InvIT by Mahindra Susten Private Limited and OTPP@ as on 31 March 2023

Source: Company websites, Industry, CRISIL Consulting



With entire capacity of Mahindra Susten proposed to be part of the proposed InvIT, it would become the Indian InvIT with the largest renewable energy portfolio.

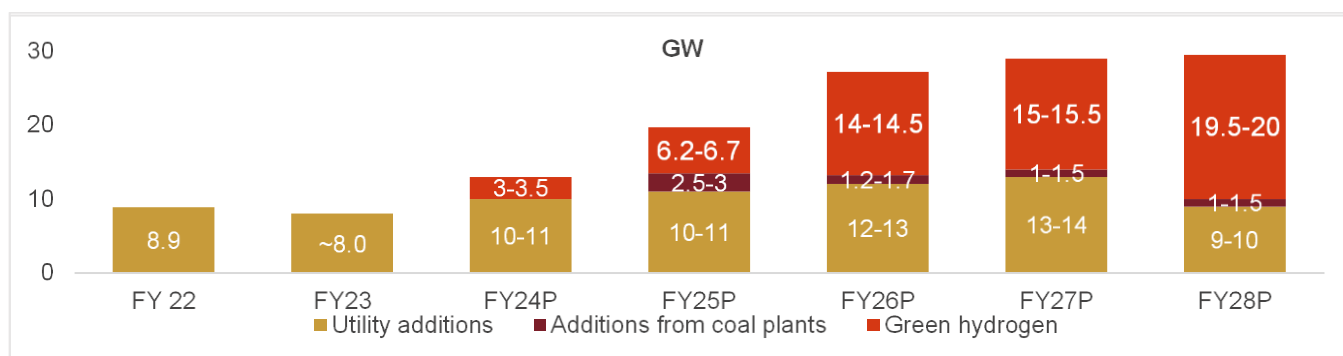
Even though, the PPAs executed by InvITs are with Central or State counterparties, the State as well as Central Government have recently implemented various remedial measures to improve the liquidity, financial condition and viability of state electricity distribution utility companies.

Outlook of solar energy capacity additions in India

Outlook of grid-connected solar energy capacity additions

CRISIL Consulting expects solar power capacity additions of 142-147 GW over the next five years through fiscal 2028, as compared with ~54.5 GW over fiscals 2018-2023. To arrive at capacity additions, CRISIL has considered the progress of capacity allocations from the above schemes. For analysis, CRISIL has also factored in the economic feasibility of tariffs, the extent of payment security, the financial health of state discoms, RPO targets, upcoming green hydrogen production additions as well as execution risks in project implementation. Consequently, the share of solar power in total units generated (MU) is projected to jump from 4.9% in fiscal 2023 to 12-12.5% by fiscal 2028.

Figure 60: Utility scale solar capacity additions expected at 60-65 GW over FY24-28



P: Projected, Source: CRISIL

CRISIL has summarised the main policies accounted for in our outlook on capacity additions:

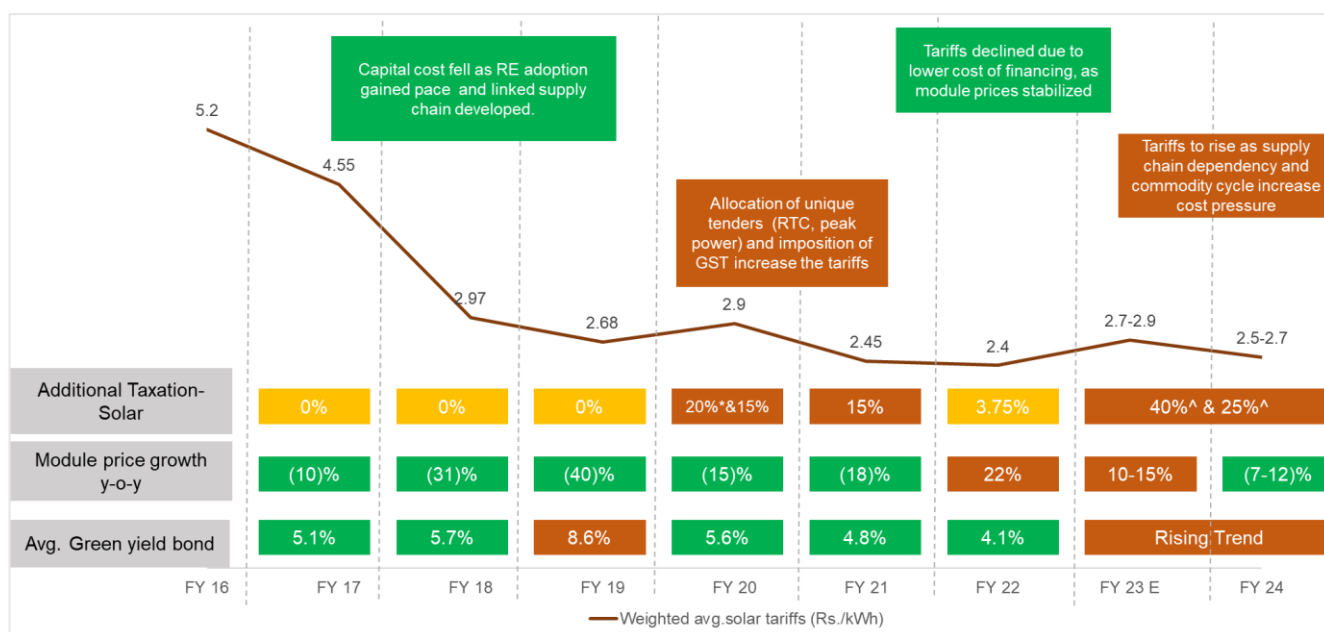
- Entire NSM phase II, Batch II Tranche I of 3,000 MW has been commissioned;
- Under NSM phase II, Batch III and IV, SECI through its state-specific viability gap scheme (VGF), has tendered out ~7 GW of capacities, most of which has been completed;
- SECI has also tendered capacities under various other schemes, where ~23 GW is allocated and under construction, while ~6 GW is tendered;
- Under the state schemes, ~14 GW of projects are under construction and expected to be commissioned over fiscals 2024-28. About 16 GW worth of solar projects are expected to be up for bidding over the coming months;
- The government has expanded the 1 GW CPSU programme to 12 GW to encourage cash-rich central PSUs to set up RE projects. About 922 MW, 1104 MW and 5,000 MW got allocated under Tranche I, II and III of this schemes, respectively. CRISIL Consulting expects 5-6 GW from this scheme to be commissioned till fiscal 2027;
- CRISIL expect 10-11 GW of projects to be commissioned under the open access utility segment over the next five years through 2028, driven by the go-green initiatives/sustainability targets of C&I consumers, effective long-term policies in Karnataka, Uttar Pradesh and Maharashtra, and lower offtake risk coupled with conducive policies such as the Green Open Access Regulations;
- Manufacturing capacity-linked projects: Adani Green Energy (6GW of power generation) and Azure Power (2 GW) won the bid. The companies also availed 2 GW each under the green-shoe option. Both these companies recently signed PPAs with SECI for ~4.67 GW and 2.3 GW, respectively. The capacities for manufacturing-linked tenders are expected to be commissioned in phases from fiscal 2025. Additionally, in September 2021, SECI revised the tariff to Rs 2.54 from Rs 2.92 per unit. This led to a pickup in PSA signing activity for manufacturing-linked tenders, with 1 GW of PSAs signed by TANGEDCO, 0.5 GW by GRIDCO, and the remaining capacity signed by AP discoms;
- CRISIL Consulting expects 14-15 GW of projects to be commissioned under the solar rooftop segment over the next five years through fiscal 2028, led by capacities tendered by SECI (up to 2,000 MW); capacities allocated by the state governments (1,500-2,000 MW); commissioning of 1,000-1,500 MW of capacities by government institutions such as metro, railways, and airports; and 7,000-7500 MW of capacities to be added by C&I consumers under net/gross metering schemes of various states and the remaining ~1,500 to 2,000 MW by residential consumers;
- Production of green hydrogen is expected to start from fiscal 2026, with expected production of 0.5-1 million tonne, which will see solar capacities starting fiscal 2024. As the government pushes towards the target production of 5 million tonne of green hydrogen by 2030, more solar capacities are expected to be commissioned, totalling 57-62 GW by fiscal 2028, to cater to the demand of producing 2-2.5 million tonnes of green hydrogen, but this is a key monitorable;
- Renewable generation obligation (RGO) for upcoming coal power plants will additionally add 6-7 GW capacities by fiscal 2028;
- 500 GW non-fossil target by 2030 under COP26 to drive solar capacity additions: India set an ambitious goal at the COP26 summit. 50% of the installed power generation capacity will likely be from non-fossil fuel-based capacity. This is expected to ensure continued positive regulatory support, which is a critical enabler of capacity additions in the segment.

Outlook on levelised tariffs for solar PV power plants in India

On the pricing front, solar tariffs declined rapidly from fiscals 2016 to 2020, with a rapid fall in component pricing, technological improvements in efficiency, and the government’s policy push. While declining module prices contributed to a reduction in tariffs over fiscals 2017 to 2019, access to low-cost financing was the primary driver for the decline in tariffs over fiscals 2020 to 2022, where global investments in the Indian RE segment picked up via green bond issuances and external commercial borrowings, helping lower the cost of debt for the space. The participation of global players and entities with strong credit profiles (CPSUs) has helped tariffs remain in the Rs 2.4-2.6 per unit range even until fiscal 2022, when supply-side disruptions started to emerge.

The increase in module prices, coupled with policy changes impacting the sourcing of modules for new projects in future and the cost of debt on an uptrend, given the uncertain global climate, leads to expectations of weighted average tariffs increasing to Rs 2.7-2.9 per unit in fiscal 2023. CRISIL Consulting expects tariffs to reach Rs 2.5-2.7 per unit by fiscal 2024 as developers will factor in lower availability of modules and subsequent cost pressures arising from limited supply.

Figure 61: Weighted average solar tariff trend



Note: * Represents the duty rate for six months each in the fiscal. ^^ Represents duty removed from July 29, 2021. ^^ Represents imposition of 40% and 25% BCD on solar cells and modules, respectively.

Source: CRISIL Consulting

Table 14: Comparison of levelised tariff for solar PV vs APCC of major states

State	APCC for FY 23 (Rs/Unit)	Bid tariff (Rs/Unit)	Difference
Andhra Pradesh	4.45	2.7	-39%
Tamil Nadu	4.37		-38%
Gujarat	3.62		-25%
Maharashtra	4.35		-38%
Rajasthan	2.5		8%
Karnataka	3.23		-16%
Madhya Pradesh	5.36		-50%

Note: Competitively bid solar tariff is weighted average tariff for FY23

Source: Tariff orders of the respective SERCs and the industry, CRISIL Consulting

PLI scheme for domestic module manufacturing

On November 11, 2020, the government introduced the PLI scheme for 10 key sectors to enhance India’s manufacturing capabilities and exports under its Aatmanirbhar Bharat initiative. One of the 10 sectors for which PLI was approved is high-

efficiency solar PV modules, for which, the MNRE has been designated as the implementing ministry. The financial outlay for the PLI scheme is Rs 4,500 crore over a five-year period. This was later increased to Rs 24,000 crore.

The scheme is aimed at promoting the manufacture of high-efficiency solar PV modules in India and thus, reducing import dependence in the area of RE. The MNRE implemented the Tranche I through IREDA as the implementing agency. For Tranche II, SECI was given the responsibility of conducting bidding process.

In September 2021, IREDA released the list of PLI scheme participants, and the scheme received a response of 54.8 GW worth of bids for a 10 GW scheme. Bids of ~19 GW were submitted for the manufacture of polysilicon, 32 GW for wafers, and 54.8 GW for cells and modules. Reliance New Energy Solar's PLI award amount was Rs 1,917 crore for a capacity of 4 GW. Shirdi Sai Electricals was Rs 1,875 crore for 4 GW and Adani Infrastructure's was Rs 663 crore, out of the total quoted amount of Rs 3,600 crore for a capacity of 737 MW under the bucket-filling method.

In March 2023, the government, through SECI, allocated 39.6 GW of domestic solar PV module manufacturing capacity under the PLI scheme (Tranche-II) to 11 companies, with a total outlay of ~Rs 14,000 crore. Total manufacturing capacity of 7,400 MW is expected to become operational by October 2024, 16,800 MW by April 2025, and the remaining 15,400 MW by April 2026.

The PLI beneficiaries of Tranche-I are already planning and setting up fully integrated solar manufacturing units. Reliance and Adani are in various stages of setting up manufacturing units of 10 GW each. Shirdi Sai Electricals, which is currently setting up only 4 GW capacity, will expand to 10 GW of PV manufacturing capacity in the future, owing to its win in the second tranche of PLI. Currently, Adani Solar is the only company in India to have developed a product in the ingots/wafers stage. In December 2022, the company introduced a large-sized monocrystalline silicon ingot at its Mundra facility. This made Adani Solar India's first manufacturer of monocrystalline silicon ingots, capable of producing M10 (182mm) and M12 (210mm) size wafers. Similarly, Reliance New Energy Solar partnered with German wafer manufacturer, NexWafe to build large-scale wafer manufacturing facilities in India. Moreover, Emmvee Photovoltaic announced its plan to set up 1.5 GW of wafer-to-module capacity in India by the end of 2023.

Advancement in module technology

Based on available technologies, the solar power market is divided into the solar PV and concentrated solar power (CSP) segments. Solar PV technology converts the energy of photons from the sun directly into electricity using a silicon-based semiconductor. CSP uses mirrors to focus direct solar radiation on a fluid-filled receiver, typically thermal oil, or molten salts. The fluid, also known as heat transfer fluid (HTF), conducts heat, which is used to generate electricity via a steam turbine generator, similar to that used in conventional thermal power plants.

The solar PV can be segmented further into mono-Si, poly-Si, thin-film, and others. CSP technology can be segmented further into parabolic trough, power tower, linear Fresnel, and dish/engine systems.

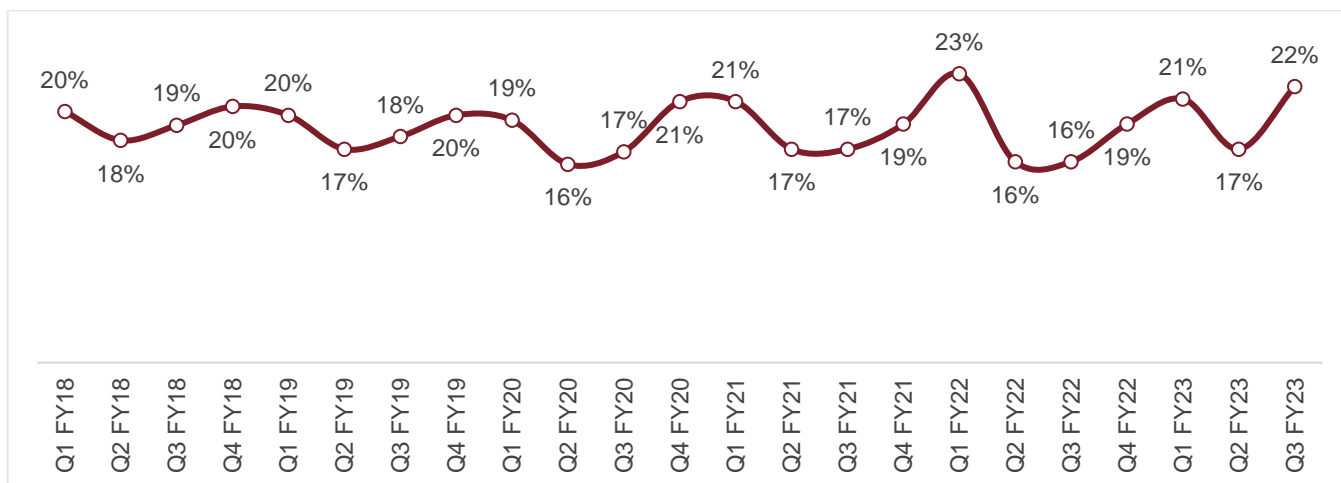
The mono-crystalline silicon cell can be classified into the P and N types based on chemical elements doped in silicon wafers. Mono PERC solar cells, which are more commonly used, use P-type wafers, whereas the emerging tunnel oxide passivated contacts (TOPCON), heterojunction technology (HJT), and IBC use N-type wafers. Currently, mono PERC technology dominates the market. Further, many players have announced bigger, better, and higher-output modules. The power output of these modules ranges from 500Wp to 600Wp and even 660+Wp in some cases. JA Solar has also launched an 800-Wp panel that is quite large, more specifically, it is 2.2 m high and 1.75 m wide.

Crystalline PV cells provide higher efficiency and are more expensive compared with thin-film cells. In India, most PV-based solar power plants use crystalline PV modules, given they are more established. With advancements in technology, efficiency is expected to improve in future.

With the share of polycrystalline PV technology decreasing globally, India's usage of the same is also gradually declining. Going forward, monocrystalline silicon will be the dominating technology, considering the global capacity additions expected. Monocrystalline silicon technology has been witnessing higher acceptance, resulting in a gradual increase in the production of mono PERC modules. Given its better efficiency, less land requirement, and optimised balance of system requirements, monocrystalline technology is gaining popularity. With large-scale production and technological advancements, the prices of monocrystalline technology modules will be on a par with polycrystalline cell modules. Many module manufacturers are offering mono PERC modules with >20% efficiency. Further, most of the new/proposed manufacturing lines are based on this technology. India has the technological capabilities to produce high-efficiency mono PERC cells and modules. The latest technologies of TOPCON and HJT are slowly gaining acceptance in India and are already popular in China. In the next 2-3 years, TOPCON is expected to beat mono PERC to become the most preferred module technology in India due to its higher efficiency and better performance.

With the improvement in technology, the average PLFs have been increasing steadily over the last 3-4 years except for the dip in the second quarter of each fiscal due to monsoons. Improvement in PLFs is also evident from the fact that the installed capacity has grown at a CAGR of 24% over fiscal 2019 to fiscal 2023 whereas generation grown at CAGR of 27% over the said period.

Figure 62: PLF of the operational projects



Source: Company Filings; CRISIL Consulting

The operational performance of any renewable energy project largely gets influenced by natural conditions leading to significant variations in performance across seasons and years. Climate change or other factors may also lead to permanent change in project output. Various seasonal factors and natural calamities also affect the power generation from the renewable energy projects. For instance, the shorter days in winter provide reduced sunlight hours resulting in lower irradiation, adversely affecting the output of solar power projects. Additionally, the operational performance of a solar energy project also depends on the topography of the land on which the project is situated.

Key risk factors

Supply-side disruptions, additional taxes, and intermittent hurdles such as the Great Indian Bustard (GIB) litigation have often led to a pile-up of tenders in the market or an increase in bid tariffs, prolonging the time taken to sign PSAs with distribution utilities. Robust allocations over fiscals 2018 to 2020 propped up a healthy pipeline for commissioning over fiscals 2023 to 2024; fiscal 2021 was a weak year, given the pandemic-led halt in activities. However, allocations and consequent additions to the pipeline turned weaker post fiscals 2018 and 2019, comparatively, with allocation getting delayed. That said, nodal agencies, especially central, are keen on allocating large tenders hereon, such as the manufacturing-linked 7 GW tender, or those in the range of 1.2-2.5 GW in the current scenario. SECI has also outlined the agenda of experimenting with tender structuring to solve other incidental issues related to RE, especially with regard to grid balancing via its tender provisions. A few structures are wind solar hybrid (added BESS), assured peak power and round the clock (RTC). This may lead to allocations being larger in size, but more concentrated in terms of developers and/or locations/types.

- Revision in the GST rate from 5% to 12% in October 2021 for solar project components has added to the cost pressure, where module prices have already surged last fiscal, coupled with the imposition of a 40% BCD.
- Solar imports excluded from duty scheme: The central government has excluded solar power projects from the list of goods that can avail of a concessional 7.5% import duty under the project imports scheme.
- The ALMM order poses a risk to ~8-9 GW of solar projects if the planned capacity expansion gets delayed. The ALMM order applies to bids after April 10, 2021 and mandates the use of domestic modules for government/government-assisted projects/projects under government schemes and programmes. These projects, which are bid out after April 10, 2021 are likely to be commissioned post June 2023. While the domestic module operational capacity is presently ~31 GW, it is expected to increase to ~40 GW by end-fiscal 2024 if the planned expansions fructify. As per CRISIL estimates, 142-147 GW capacity is expected to be added between fiscals 2024 and 2028, implying 40-44 GW of annual module requirement, considering 40% DC overloading. The ALMM will impact projects as there is a supply shortage for high-capacity wattage modules (>500 Wp) in the ALMM. However, in a recent announcement, the government allowed the abeyance of ALMM modules for projects being commissioned before March 2024, which will provide some relief to developers, allowing them to import solar modules for a year.

- d. However, CRISIL Consulting believes that if the planned expansion gets delayed, 8-10 GW of projects that are likely to get commissioned in fiscal 2024 face high risk as none of the key global suppliers/players are part of the ALMM and due to the limited availability of domestic modules of high-capacity wattage. That said, the acceptance of foreign manufacturers in the list and timely domestic expansions are key monitorable. The release of ALMM List-II, which would comprise empanelled cell manufacturers from whom cells would be required to be procured for manufacturing modules used in domestic solar projects is also a monitorable.
- e. PLI scheme could increase nameplate module manufacturing capacity by 2x of domestic demand by FY24, creating a possible excess supply scenario in modules and ~12 GW of upstream supply chain capacities. This would aid price competitiveness for project developers sourcing modules, however, it would create profitability concerns for module makers. In an ideal scenario, CRISIL consulting expects enhancement of PLI outlay to result in ~20-30 GW of additional manufacturing base by fiscal 2026.
- f. Litigation over transmission equipment harming GIBs: The Supreme Court (SC) has ordered that transmission lines be laid underground in the areas where GIBs are found, which is a challenge for developers, given that they will need to incur an additional ~ Rs 4 billion in expenses, and this could impact under-construction RE projects in Rajasthan and Gujarat to the tune of ~20 GW. Finally, as per the SC order dated April 20, 2022, projects in Rajasthan and Gujarat were required to have bird diverters installed before July 20, 2022; however, final decision on which areas and which projects is still to be finalized.

Policy support in terms of incentives for C&I capacity addition

C&I capacity addition is influenced by the policy and regulatory framework governing open access. Some of the policies have helped in the C&I segment's growth, whereas certain provisions have acted as obstacles to capacity addition. State-wise variations, coupled with different interpretations of provisions, has constituted a major challenge. To avoid ambiguities, the MoP has issued Rules to provide clarity in various OA-related provisions.

a. *Electricity (Promoting Renewable Energy Through Green Energy Open Access) Rules, 2022*

Highlights of Green OA Rules 2022:

- Multiple avenues (own generation, captive, open access, and from distribution licensee) provided to generate, purchase, and consume RE;
- Consumers having contracted demand or sanctioned load of 100 kW and above eligible to take power through green energy open access; No limit on supply of power for captive consumers taking power under green energy open access;
- Monthly banking allowed at least 30% of the total monthly consumption of electricity;
- CSS on a C&I consumer shall not be increased, during 12 years from the date of operating of the generating plant using RE sources, by more than 50% of the surcharge fixed for the year in which open access is granted;
- Obligated entities can meet their RPO targets by purchasing green hydrogen or green ammonia;
- Cross-subsidy surcharge and additional surcharge shall not be applicable if green energy is utilised for the production of green hydrogen and green ammonia.

b. *Waiver in ISTS transmission charges*

The MoP, in August 2020, waived the inter-state transmission system (ISTS) charges and losses on all solar and wind projects commissioned before June 30, 2023. In June 2021, the waiver was extended up to June 30, 2025. However, this time, only the ISTS charges were waived off, and losses remained applicable. Subsequently, in November 2022, the waivers were amended. Waivers are available for projects commissioned by June 30, 2025. However, post June 2025, an annual increase of 25% in the ISTS charges will be applicable for solar, wind, hydro PSP, and BESS sources, resulting in the applicability of 100% of ISTS charges from July 2028. Subsequently, in February 2023, it was clarified that green hydrogen and green ammonia projects would get a waiver of ISTS charges for 25 years if the projects are commissioned before June 30, 2025.

c. *Cross-subsidy and additional surcharge*

Captive power projects are exempt from paying CSS, as per Section 42(2) of the Electricity Act 2003. The Supreme Court, in its judgement dated December 10, 2021, ruled that captive power consumers are not liable to pay an additional surcharge under Section 42 (4) of the Electricity Act, 2003.

Bottlenecks in achieving the 40-GW target

While solar rooftop project installations were expected to rise significantly, they fell short on the government target of 40 GW by 2022 because of the following issues:

1. Lack of availability of cheap finance

Availability of cheap finance could hinder growth in this segment, particularly given the weak credit profile of potential consumers and their inability to provide collateral. This could be tackled by providing a guarantee and ensuring access to the site. Additionally, the entry of several multilateral agencies via public and private banks has ensured the availability of feasible bank credit for rooftop solar.

2. Uncertainty regarding enforcement of contractual obligations

To boost investor confidence, it is important to address issues in enforcing lease agreements and contractual obligations (power purchase agreements) between producers and buyers of solar power generated from rooftop projects. This can be achieved through measures such as granting access rights to the third party, timely dispute redressal, payment security under centrally allocated capacities, and insurance schemes.

3. Issues of grid variability in areas with higher RE penetration

Grid variability could become an issue over the long term amid rising penetration of rooftop solar as it forms a mini grid. This can be handled through battery-back-up-based storage solutions, which could minimise grid volatility. With declining battery prices, systems with battery back-up would be used to provide firm power to the grid.

4. DISCOMs unwilling to provide connections to C&I consumers

An analysis of discoms' tariff structure across states reveals that average revenue realised from the electricity sold to industrial consumers is 20-50% higher than the average cost of supply (ACOS) of discoms across most leading states in India and almost twice the realisations of domestic and agricultural consumers. Thus, if discoms allow such high-paying industrial consumers to utilise power generated captively through rooftop solar (particularly as there is no cross-subsidy surcharge on solar connections), cross-subsidisation of residential and agricultural consumers would be challenging, and they would stand to lose a considerable amount of revenue.

5. Lack of long-term agreement for rooftop occupancy and issues related to enforceability of contracts

Under the RESCO model, the rooftop owner makes a suitable rooftop available to interested third-party renewable companies for setting up solar PV projects. Rooftop owners derive revenue from lease rentals and/or cheaper power from solar PV projects, while service companies can sign contracts with buyers (such as discoms/other open access consumers) and sell solar power generated from the project. However, this mode of operation has proved successful only for government agencies and public infrastructure.

Impact of large RE capacity additions on grid security

Domestic RE energy penetration varies greatly across the various states. There is vast difference in the share in RE-rich states and others. In fact, some RE-rich states have higher RE shares than those of some countries internationally. That said, the high RE penetration is causing system integration issues for certain states. India aims to increase its non-fossil-fuel-based installed electricity generation capacity to 500 GW by 2030. RE will be at the core of achieving this target, with around 450 GW RE expected to be added by 2030. Some of the key challenges due to higher RE penetration include fluctuations in hourly demand, increasing ramping requirements, frequency, and voltage-related grid issues.

Variability affects system management as well as scheduling challenges due to the intermittency associated with RE output. As a result, RE-rich states would have to export some power to other states, back down or avoid coal-based power, and curtail RE for the sake of grid security. Potential sources of power system flexibility, including demand-side flexibility, power plant flexibility, and storage (pumped storage hydro and batteries) and grid flexibility, should be prioritised to maximise the value of solar and wind. India has already adopted measures to manage variability using different products, such as wind-solar hybrid tenders and energy storage solutions, including pumped hydro storage.

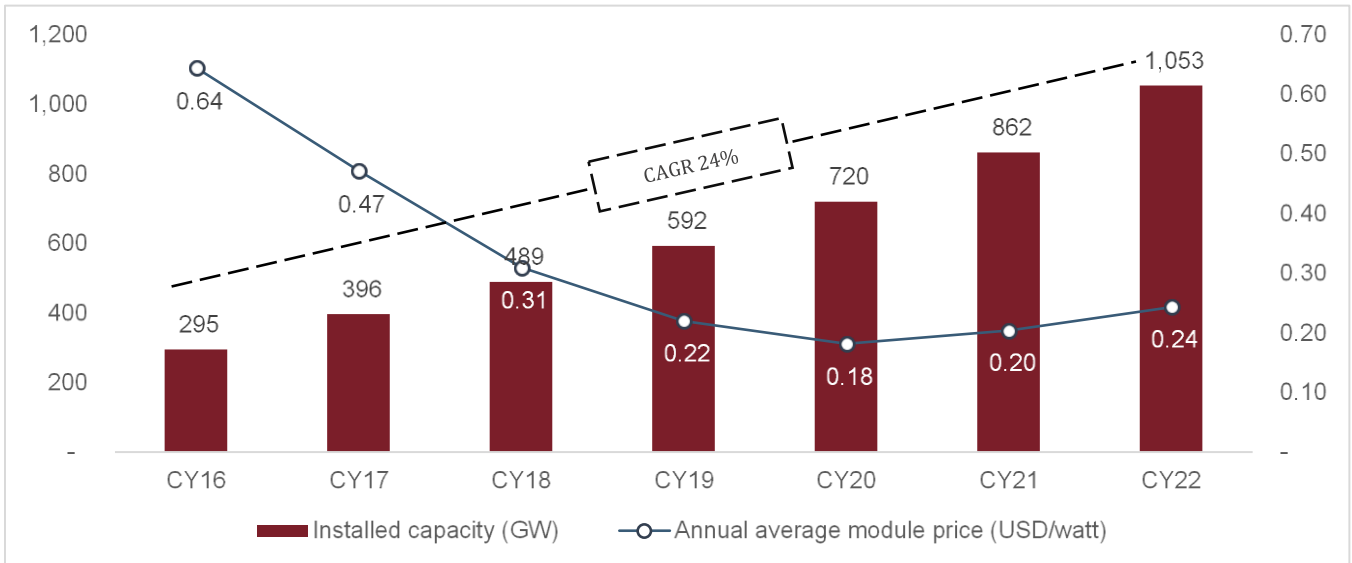
To enable higher RE capacity, areas with high solar and wind energy potential need to be connected to Inter-State Transmission System (ISTS) so that the power generated could be evacuated to the load centres. For this, CEA has planned a transmission system for about 537 GW of RE capacity well in advance. The transmission system has been planned for major RE potential zones, such as the RE park in Leh, Ladakh; Fatehgarh, Bhadla, and Bikaner in Rajasthan; the Khavda RE park in Gujarat; Anantapur and Kurnool RE zones in Andhra Pradesh; and offshore wind farms in Tamil Nadu and Gujarat. Several high-voltage direct current transmission corridors have also been planned for the evacuation of power from large potential RE zones.

Global solar market

Review of global solar PV capacity additions (CY2017-2022)

Globally, ~239 GW of solar PV capacity was added in 2022, taking the installed capacity to 1,053 GW, which is a ~22% increase over the previous year. China continued to lead the market with total cumulative capacity of ~393 GW, whereas the US came in second with ~113 GW, followed by Japan at ~79 GW. Continuous innovation and economies of scale have helped drop in Module prices. With significant fall in module prices, solar PV became one of the most preferred electricity generation technology leading to substantial capacity additions.

Figure 63: Global solar PV installed capacity registered ~24% CAGR between 2016 and 2022

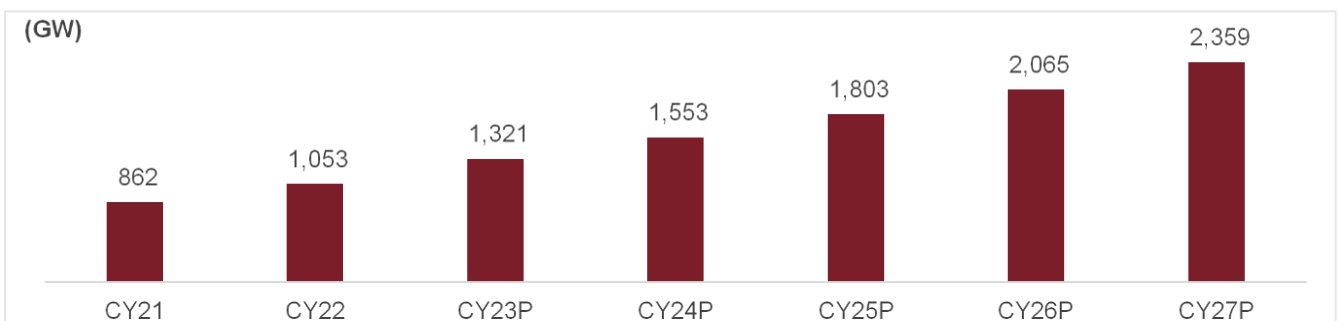


Source: IRENA, CRISIL Consulting

Global solar outlook (CY2023-2027)

The IEA predicts that the global cumulative solar PV capacity would triple by 2027, surpassing natural gas by 2026 and coal by 2027. Emerging solar technologies, such as distributed solar PV and rooftop solar, are also set for rapid growth due to higher electricity prices and growing policy support to consumers for savings in their bills.

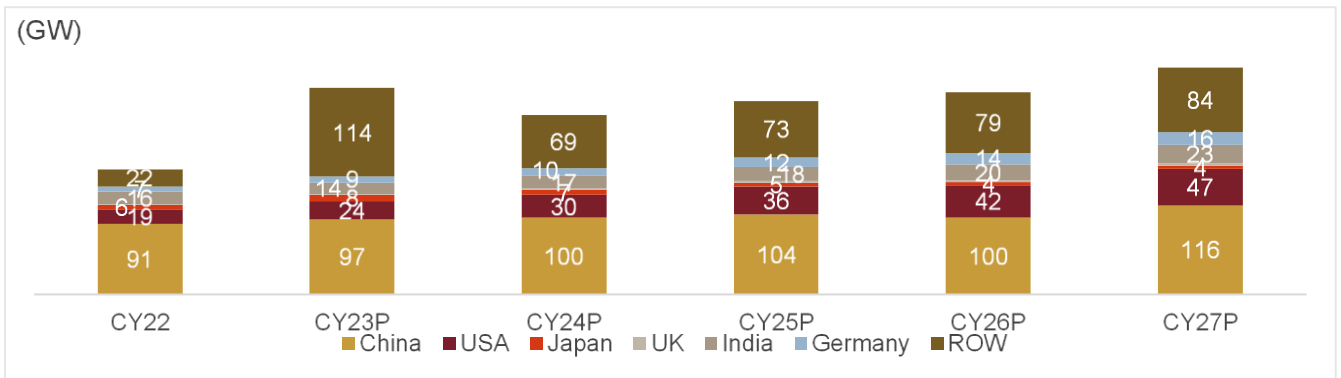
Figure 64: Growth in global installed capacity base in solar PV over CY23-27



P: Projected

Source: IEA Renewables 2022, CRISIL Consulting.

Figure 65: Projected annual solar capacity additions in major economies



P: Projected

Source: IEA Renewables 2022, CRISIL Consulting

As per IEA analysis, the cumulative PV capacity is expected to triple to 2,359 GW by 2027, surpassing hydropower in 2024, natural gas in 2026, and coal in 2027 to become the largest installed electricity capacity worldwide. Solar PV continued to grow at a rapid pace despite being impacted by COVID-related disruptions, supply-chain bottlenecks, and commodity super-cycle. The Russia-Ukraine conflict expedited clean energy transitions, with energy security emerging as an additional factor not just for the EU, but for the whole world. The EU proposed the REPowerEU plan in May 2022 to end its reliance on Russian fossil fuels by 2027 by increasing the share of renewables in final energy consumption to 45% by 2030. China, the US, and India are expected to double their renewable capacity expansion over the next five years, accounting for two-thirds of global growth. The Inflation Reduction Act (IRA) passed in the US in August 2022 provides long-term policy visibility for solar PV projects by extending tax credits until 2032. India and the US are also focusing on solar PV manufacturing, with investment in the segment expected to reach ~USD 25 billion over 2022-2027. The governments of India and the US are offering PLIs and manufacturing tax credits to attain cost parity with the lowest-cost manufacturers in China.

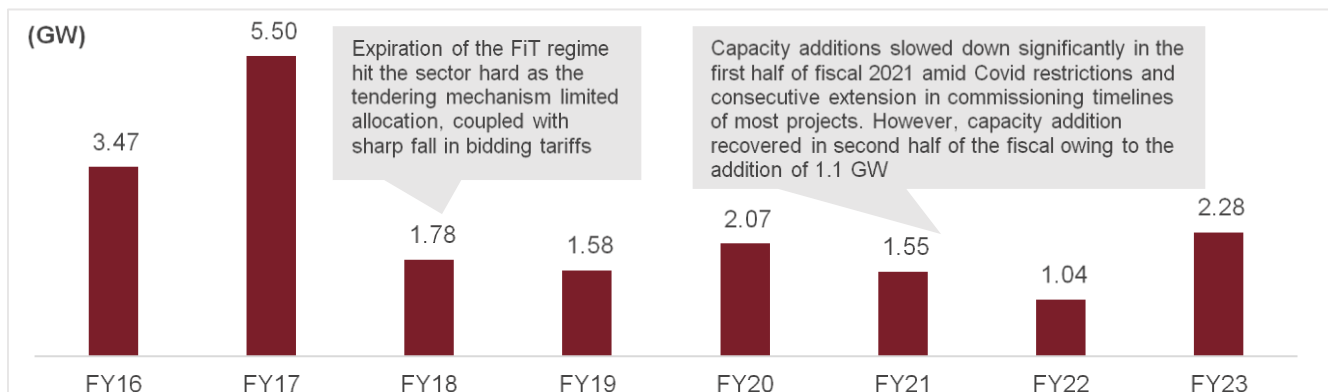
Substantial solar PV capacities of ~140 GW are expected to be added in 2023, driven by China, the US, and India. Other emerging markets in Africa, Latin America, Southeast Asia, and the Middle East have also started to grow past the ~1 GW level, further supporting future growth outlook. The key markets include Southeast Asia (Malaysia, Vietnam, Indonesia, and the Philippines, among others), the Latin American region (Brazil, Venezuela, and Chile, among others), and the MENA region (Egypt, the UAE, Saudi Arabia), which are increasingly focusing on RE.

OVERVIEW ON THE INDIAN WIND/WIND-SOLAR HYBRID MARKET

Review of wind energy capacity additions in India (fiscals 2016-2023)

Review of overall grid-connected wind energy capacity additions

Figure 66: Fiscal 2023 witnessed an increase in additions followed by two years of tepid installations



Source: MNRE, CRISIL Consulting

Installations pick up in fiscal 2023 as delayed pipeline are commissioned

Fiscal 2023 saw wind capacity additions of 2,276 MW on the back of commissioning under several schemes that have been pending for execution, such as SECI Tranche IV, SECI Tranche V and SECI Tranche VI. Average monthly additions of 150-200 MW in fiscal 2023 compared with 80-120 MW in fiscal 2022 indicate a pick-up in the execution rate. Capacity additions had declined ~33% y-o-y in fiscal 2022, primarily on account of a surge in commodity prices impacting project costs and viability. This was coupled with continued challenges in acquiring sites in key windy regions along with associated connectivity, causing further delays.

The sector continues to face severe delays on account of execution challenges amid surging commodity costs, grid connectivity issues, and limited availability of key wind sites and OEM suppliers. After 2017, SECI has allocated 14.4 GW of ISTS-connected wind capacities, of which ~4.8 GW (33%) has been commissioned and ~2.7 GW (18%) cancelled. With commissioning timelines of 18-24 months, capacities are now lined up for commissioning from fiscal 2023 onwards.

The commodity price surge was one of the principal reasons for stagnating growth in the industry, as the price increase has translated into lower project returns, impacting project commissioning since the second half of fiscal 2022. However, the momentum is expected to pick up from the second half of fiscal 2024, when key commodity prices are expected to stabilise or moderate.

Capacity additions remain subdued following change in regime

Capacity additions have been plummeting since fiscal 2018, primarily because of the abrupt phasing out of the FiT regime and implementation of a competitive bidding mechanism at the end of fiscal 2017.

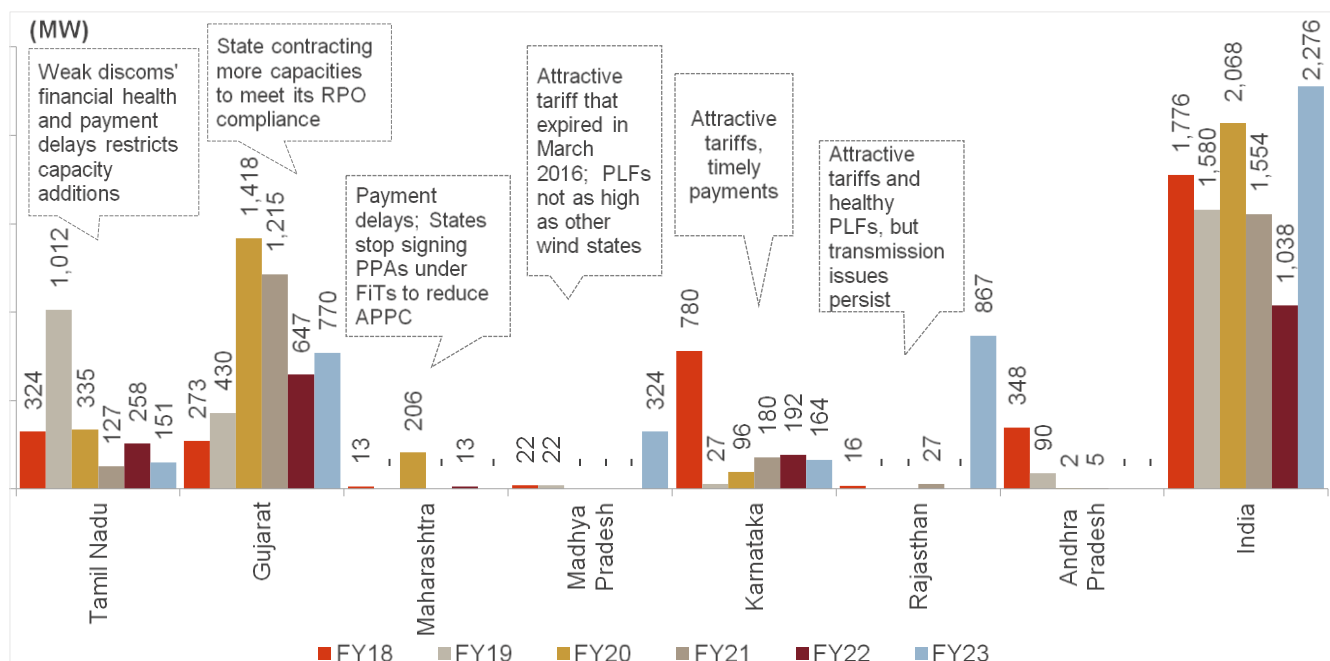
In February 2017, the government conducted the first reverse e-auction for wind power, which saw tariffs falling to Rs 3.46 per unit. This was 17% lower than the lowest wind FiT of Rs 4.16 per unit in Tamil Nadu. Because of the sharp drop in tariffs, several discoms in Gujarat, Andhra Pradesh, Rajasthan and Karnataka expressed their unwillingness to buy power under the FiT regime, even for approved and under-construction projects, as PPAs were not signed. Wind power tariffs fell to Rs 2.5 per unit level, with tariffs as low as Rs 2.43 per unit in the December 2017 wind auctions of 500 MW in Gujarat. However, tariffs have since inched back to Rs 2.7-2.9 per unit, with weighted average tariff for fiscals 2020 and 2021 at Rs 2.8 per unit and Rs 2.89 per unit, respectively, Rs ~2.8 per unit in fiscal 2022, and Rs ~3.0 per unit in fiscal 2023. SECI's tender held in December 2022 witnessed tariffs of Rs 2.95 per unit, while the latest state auction held by GUVNL Phase IV (Jan-2023) saw bid tariffs of Rs 2.96-3.01 per unit. However, this is still lower than the Rs 4-5 per unit witnessed by the sector under FiT. Consequently, the sector continues to adjust to the significantly lower tariffs under competitive bidding as well as land availability and grid connectivity challenges, where developers are facing issues related to delayed/congested infrastructure.

Region-wise wind energy capacity addition in India

In fiscal 2023, Rajasthan added the highest wind capacity of 867 MW, followed by Gujarat (770 MW), Madhya Pradesh (324 MW), and Karnataka (164 MW). In fiscal 2022, most of the wind capacity additions were in Gujarat, Karnataka, Tamil Nadu,

and Maharashtra, with Gujarat adding the highest wind capacity of 647 MW, followed by Tamil Nadu (258 MW), Karnataka (192 MW), and Maharashtra (13 MW).

Figure 67: State-wise capacity additions



Source: MNRE, CRISIL Consulting

Investments in wind energy segment

Table 15: Key investments in wind energy segment in last few years

Sr. No	Name of the Company	Deal Type	Investor	Deal Value	Date of Investment	Portfolio (MW)
1	Mytrah Energy	Acquisition	JSW Energy	\$~1200 million	Mar-2023	Wind: 1331 Solar: 422
2	Vector Green	Acquisition	Sembcorp Industries	\$~474 million	Nov-2022	Wind: 24 Solar: 495
3	Sprng Energy	Acquisition	Shell	\$~1500 million	Apr-2022	Wind: 498 Solar: 2503
4	SB Energy India	Acquisition	Adani Green Energy	\$~3.5 billion	Apr-21	Wind: 324 Solar: 4180 WSH: 450
5	Orange Renewables	Acquisition	Greenko	\$~850 million	Oct-2018	Wind + Solar: 900
6	Ostro Energy	Acquisition	Renew Power	\$~1600 million	Apr-2018	Wind + Solar: 1100
7	Sun Edison	Acquisition	Greenko	\$~400 million	Nov-2016	Wind: 48 Solar: 539
9	Welspun Renewables Energy Private Limited	Acquisition	Tata Power Renewable Energy Limited	\$~1400 million	June-2016	Wind: 146 Solar: 994

Sources: Industry; CRISIL Consulting

Review of levelised tariffs for wind power plants in India

Tariff of Rs 3-3.2 per unit required for equity IRRs of 9-10% for wind power projects

Table 16: Key assumptions

Project economics summary			
Capital cost of ₹75-80 million/MW		PLF of 35%	
Debt-equity ratio of 75:25		Interest rate of ~9%	

Source: CRISIL Consulting

CRISIL has assumed a capital cost of Rs 75-80 million per MW considering the current rise in wind turbine costs due to a surge in commodity prices and the current scenario of competitive bidding, with IPPs managing most of the activities (such as land selection, approvals from government departments, and evacuation infrastructure) on which a premium was charged earlier. The cost considers a land lease model and does not include the cost of the associated transmission line, if any.

Interest rate of ~9% has been assumed due to the ongoing interest rate regime coupled with subsequent refinancing typically undertaken in the industry. PLFs of 35% have been assumed given that new projects are deploying higher-rated turbines with longer hub height, exceeding 120 m. However, average PLFs may vary significantly depending on the location and age of the machine.

Based on this analysis, CRISIL Consulting believes levelised tariff of Rs 3-3.20 per unit is required for equity IRRs of 9-10%. In these computations, CRISIL has not factored in the available AD benefit of 40% as well as generation-based incentives (the applicability of these benefits varies as per power purchase agreement conditions and the project type, FiT or non-FiT, and any ancillary revenue streams accounted for by the developers).

Furthermore, CRISIL has linked the sensitivity of equity IRR to two critical factors, PLF and tariffs. IRRs are estimated to be highly sensitive to PLFs as well as tariffs, with every 20 paise hike in tariff improving equity IRR by 200-250 bps. For every 100-bps change in PLF, equity IRR improves by 180-190 bps.

CRISIL Consulting believes sub-Rs 3.0 per unit projects are viable only at PLFs of above 35%, provided by improved technology and hub heights situated in Type I wind sites only. However, lower availability of Type I wind sites in preferred locations along with congested transmission infrastructure has forced developers to move to type II wind sites, which have a lower average PLF of 28-32%.

Hence, equity IRRs of 9-10% will require tariff of Rs 3.0 – 3.2 per unit for such wind power projects.

Table 17: Tariffs discovered in recent competitive biddings

Sr No	Bidding scheme	Month of bidding	Winning tariffs discovered (Rs /unit)		Capacity (MW)		Sector
			Lowest	Highest	Tendered	Allotted	
1	100 MW, KSEB Kerala	Apr 2022	3.96	4.09	100	35	State
2	1200 MW# SECI Pan India WSH Tranche-V	May 2022	2.53	2.54	1200	1200	Central
3	1200 MW SECI Multiple States Tranche-XII	May 2022	2.89	2.94	1200	1100	Central
4	500 MW, GUVNL Wind Tranche III	Jul 2022	2.84	3.27	500	500	State
5	750 MW#, RUMS MP WSH	Sep 2022	3.03	3.04	750	750	State
6	255 MW#, TPDDL Pan India WSH	Dec 2022	3.00	3.00	355	255	State
7	250 MW#, MSEDCL Pan India WSH Storage	Dec 2022	9.00	9.00	250	250	State
8	1200 MW SECI Pan India Wind Tranche-XIII	Dec 2022	2.90	2.95	1200	600	Central
9	300 MW, GUVNL Wind Tranche IV	Jan 2023	2.96	3.01	300	300	State

Sr No	Bidding scheme	Month of bidding	Winning tariffs discovered (Rs /unit)		Capacity (MW)		Sector
			Lowest	Highest	Tendered	Allotted	
10	1000 MW#, REMCL Pan India WSH Storage	Apr 2023	3.99	4.27	1000	900	Central
11	1200 MW# SECI Multiple States WSH Tranche-VI	Apr 2023	4.64	4.73	1200	1200	Central

Source: Industry, CRISIL Consulting

Wind sector witnessed pressure on returns due to competitive bidding, access to high wind density sites and low-cost financing critical

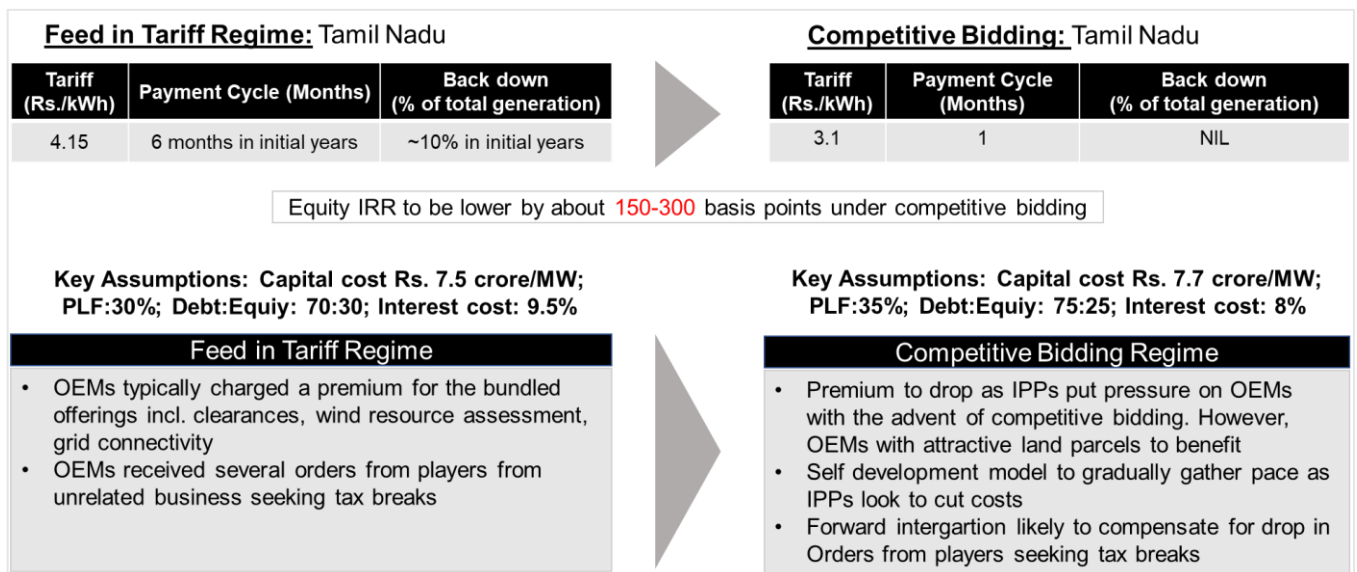
Previously, the discovered tariffs for competitively bid projects reached as low as at Rs 2.43 per unit as against Rs 3.0-3.2 per unit tariff required for earning 9-10% equity IRRs. However, after December 2017, when this low benchmark was hit, tariffs started to increase. For instance, the weighted average tariff of allocations in fiscal 2022 averaged at Rs 2.8 per unit, indicating developers are factoring in increased tariffs to adequately manage risks. The weighted average tariff at the latest auctions held in December 2022 and January 2023 was Rs 2.97 per unit.

CRISIL Consulting believes projects were aggressively bid even when availability of developed land banks (availability of wind micro siting data and proximity to the transmission) with high wind density sites were not tied up prior or finalised before bidding. This has caused execution challenges for several projects in the sector, for instance the SECI ISTS III projects were previously not able to acquire required wind sites in the preferred region of Gujarat. This has deterred further interest/ developer response. Additionally, authorities had set pricing expectations near the Rs 2.8 per unit mark, making it difficult for capacities to be auctioned at higher tariff ranges. However, the removal of the tariff cap in March 2020 provided an opportunity to developers to factor in the added execution challenges, leading to higher bid tariffs in successive auctions.

The MNRE has also announced removal of e-reverse auction process to boost bidder interest and activity in the wind sector. The move will ease aggression in bidding, providing a mechanism to provide cost reflective tariffs for the segment, boosting viability for the segment. CRISIL Consulting expects the tariff to remain nearer to Rs 3-0-3.2 per unit for sustainability of the projects.

Annual wind PLFs: Higher capacity turbines and higher hub heights for installation have enabled developers to take benefit of higher generation. In this context, PLFs have been estimated at 35% on a conservative basis, where peak time PLFs (monsoons) have been known to touch 40% in a few cases.

Figure 68: Risk-adjusted returns for a competitively bid project against FiT project



Sources: TNERC orders; CRISIL Consulting

Hence, interest rate regime, tariffs and capital costs remain the key variables affecting the equity IRR of a wind project. To compute the impact of the mechanism change, CRISIL has compared the risk-adjusted returns for a competitively bid project

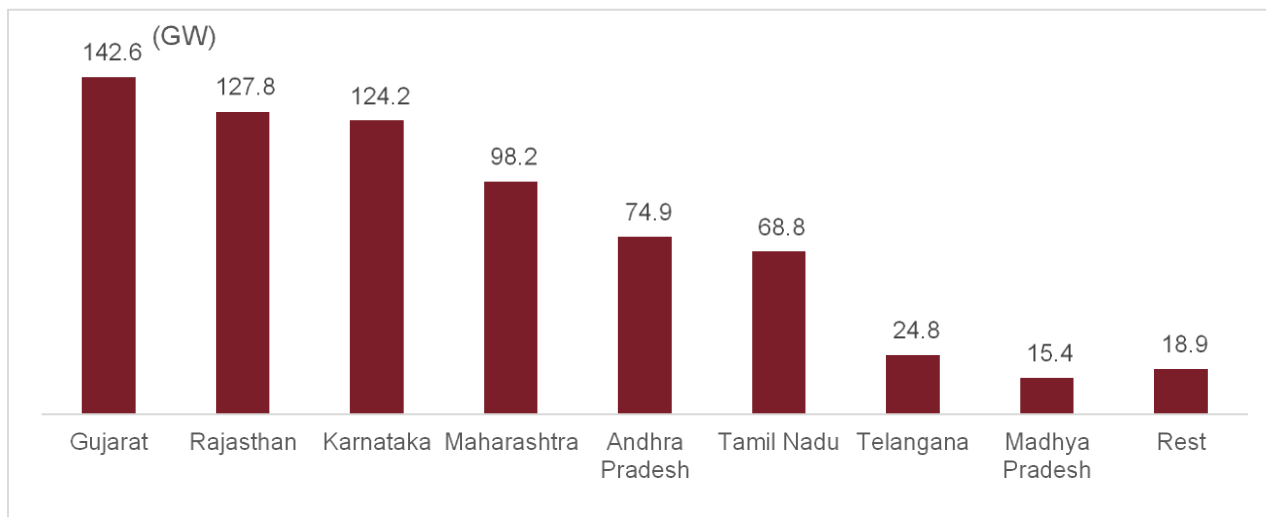
and a similar project under FiT mechanism in the above figure.

Outlook for wind energy capacity additions

Installable wind potential of the country is estimated as 695 GW

India is blessed with abundant sources of renewable energy out of which wind energy represents a significant share. Based on the study by NIWE, the installable wind potential of the country is estimated as 695 GW at 120m agl (above ground level).

Figure 69: State wise wind energy potential in (GW) at 120m hub height

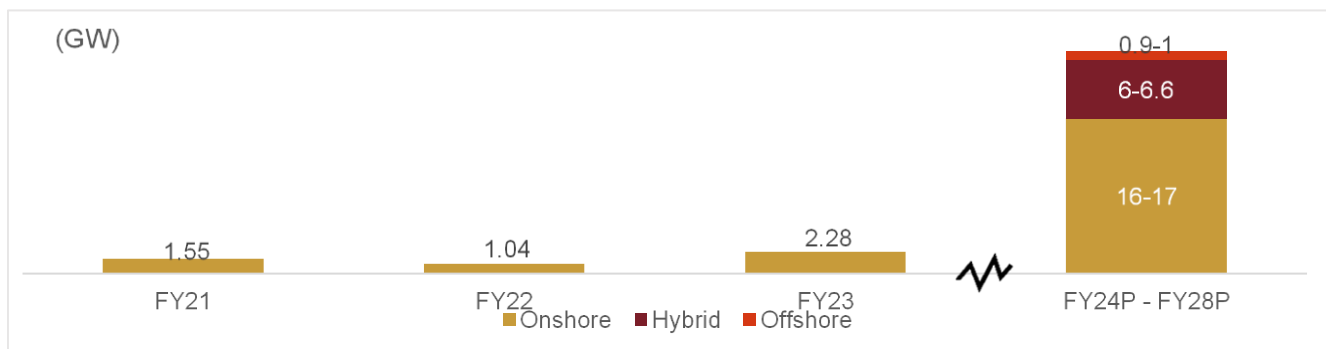


Source: National Institute of Wind Energy, CRISIL Consulting

24-25 GW expected over fiscals 2024-2028

Wind capacity addition is expected to witness a pickup hereon as time extensions expire and execution momentum picks up.

Figure 70: Wind capacity addition outlook



P: Projected, Source: CRISIL Consulting

CRISIL Consulting expects capacity additions of 24-25 GW over fiscals 2024-2028, entailing investments of ~Rs 1.92 trillion. As much as ~12 GW in the existing pipeline is also expected to be commissioned by fiscal 2027, factoring in delays due to cost escalation, evacuation infrastructure, etc.

Owing to India’s ambitious clean energy targets declared under NDCC this year, focus on clean segments, such as wind, is expected to continue as the segment has a healthy pipeline. The government policy to tender 8GW wind capacity annually until fiscal 2030 will further boost the capacity additions by fiscal 2028. RGO, which mandates thermal power generators to generate a minimum of 40% of their additional capacity from RE sources, is also expected to boost wind energy generation. Capacity additions over the long term will also be driven by increased hybrid tenders, storage, and new business model-based tenders, and GoI allocations under relatively strong off-takers such as SECI and PTC, which also reduces risk compared with direct exposure to state discoms. State allocation, on the other hand, has slowed as several states have instead signed PSAs with PTC and SECI for procurement of wind power to help fulfil their non-renewable purchase obligation targets. CRISIL also expects the offshore wind sector to take off from fiscal 2027, which will support capacity additions further.

Given below is a list of constraints/risks that impede capacity additions:

Surging input prices

The fundamental reason for the slowdown in capacity additions in the current fiscal has been surging input prices of commodities required for execution of wind projects. A typical wind project requires the following key input materials to facilitate project execution: concrete (76%), steel (20%), crude oil-related input materials (2%), aluminium and other metal components (1%), and other miscellaneous inputs (1%).

The key components for wind projects are concrete and steel.

- Concrete is used in setting up the foundation for wind towers, and a typical wind project requires ~0.46 MT/ MW of concrete
- Steel accounts for 66-79% of total turbine mass depending on the technology used

The rise in commodity prices led to a 14-20% increase in capital costs to Rs 7.5-8.0 crore/ MW in the fiscal 2023, impacting project viability.

Unsustainability at low bid tariffs

The initial competitively bid wind auctions, which took place in fiscal 2018 and early fiscal 2019, witnessed bid tariffs of ~Rs 2.5 per unit. This prompted regulatory authorities (discoms/ SECI) to consider those as the benchmark. However, the prevailing market dynamics are not conducive to such realisations. Those tariffs were achievable at low capital costs of Rs 6.3-6.5 crore/MW, which was the result of an inventory buildup with OEMs.

Currently, capital costs are in the range of Rs 7.5-8.0 crore/MW, which cannot be supported by tariffs as low as Rs 2.5-2.8 per unit. On the other hand, counterparties are not ready to accept tariffs above a certain mark, causing a pricing impasse in the sector. However, the removal of the tariff ceiling as announced by the MNRE in March 2020 has been a key positive in this regard. For instance, tariffs for auctions in fiscal 2022 have averaged Rs 2.85 per unit, indicating that developers are factoring in an increase in tariff to adequately manage risks. The latest auctions held between April 2022 to February 2023 saw a weighted average tariff of Rs 3.0 per unit.

Poor bid response and slow tendering/ auctioning

In 2017, the sector witnessed a spurt of auctions during February-December, with tariff reaching Rs 2.44 per unit by the end of the period. Auctions saw a brief lull after April 2018, with one tender of NTPC and SECI of 2 GW each delayed for a prolonged period due to poor bid response. These tenders were then revised to 1.2 GW of capacity, post which they were allocated.

There was a brief lull from April 2018 to September 2018 and the next wind auction took place in February 2019. After that, three auctions were held in May 2019, one in August 2019 and one in August 2020, all of which were grossly undersubscribed. Further, fiscal 2022 was tepid with ~1.5 GW allocated and limited allocation activity in third and fourth quarters of the fiscal. However, fiscal 2023 commenced with a rebound in allocation activity with ~2.6 GW allocated under the GUVNL Wind Phase IV, SECI Tranche XIII and Tranche XII and 500 MW allocated under GUVNL Phase III. In contrast, the solar segment issued tender for ~40-50 GW and they are under construction pipeline. The slowdown in tendering would extend the commissioning period and slow the execution momentum in the sector.

Concentration of projects in high-wind-density zones

The top five states make up ~80% of the installed wind capacity (as of March 2023), with some regions within these states accounting for most of the projects. This leads to lower wind site availability in Type I wind sites or key windy regions (especially with increasing scale of project capacity), increased land costs and problems in arranging connectivity.

For instance, Tamil Nadu, with the highest installed wind capacity of ~10,017 MW as of March 2023, sees concentration of projects in districts of Tirunelveli, Nilgiris, Erode, Coimbatore and Tiruppur. Similarly, in Gujarat, which has an installed wind base of ~9,979 MW, most projects are located in or near the Rann of Kutch region, apart from coastal sites and select locations of Jamnagar, Porbandar, Morbi and Bhavnagar. In Karnataka (~5,295 MW), the locations are Chitradurga, Bellary, Davengere and Tumkur; in Rajasthan (4,682 MW), Barmer and Jaisalmer; and in Andhra Pradesh (4,097 MW), Ananthapur, Nellore and Kurnool.

Inadequate transmission infrastructure

The rapid addition of renewable capacities requires adequate grid infrastructure to evacuate incremental power. This has increasingly emerged as a concern, with developers lowering participation in bids (SECI 2 GW, NTPC 2 GW) where this has

been a key issue. Specifically, for wind, a majority of the best wind sites are concentrated in a few states such as Gujarat, Tamil Nadu, Andhra Pradesh, and Karnataka, which causes increased congestion in specific regions of these states. However, nodal agencies (PGCIL and SECI) have planned various schemes to alleviate grid congestion and improve connectivity to RE projects.

Grid capacity additions come under two main schemes, namely the GEC scheme and RE zones (REZs), both of which are to be implemented over the medium term. This would add ~80 GW of transmission grid capacity to an existing ~24 GW, taking grid capacity planned for RE integration to ~100 GW.

The GEC scheme is aimed at developing specific evacuation corridors for RE in key renewable-rich states. The government plans to integrate RE into the national grid by setting up inter-state and intra-state schemes for evacuation of power from wind and solar projects, termed as Green Energy Corridors or GECs. The inter-state component of the scheme was completed in March 2020, while the intra-state level is facing delayed execution and the work is under progress for awarded schemes. A total of 6,816 ckm of transmission lines have been constructed under the intra-state scheme as of March 2023, with Madhya Pradesh, Tamil Nadu, Andhra Pradesh, and Rajasthan leading the execution.

PGCIL has also come up with a scheme for setting up grid infrastructure in identified REZs. Under this, key areas with concentration of existing/ planned RE projects have been identified in the western and southern regions of the country. From this scheme, 8 GW of grid capacity will be added for wind projects in the western region and 9 GW in the southern region. These would be known as wind energy zones.

Further, the MNRE has identified additional REZs (including offshore wind) with potential of 58 GW wind in 8 key states to be carried out in three phases until 2030. The transmission schemes have been planned considering energy storage so that energy requirement can be met through RTC. The additional transmission lines length and sub-station capacity is estimated as 50,890 ckm and ~433 GVA, respectively, to be added by 2030.

In conclusion, these schemes provide comfort against an estimated ~24 to 25 GW of wind capacity to be added by fiscal 2028. However, timely execution of planned capacities is key as RE projects take only 1.0-1.5 years to come online, while transmission capacities take roughly 2-3 years.

Having said that, projects under central allocations offer several key advantages over state bids, some of which are: better off-taker credibility (SECI/NTPC), a three-tier payment security mechanism, and provision of land and infrastructure in solar parks. The three-tier payment security mechanism includes:

- a. Payment security fund maintained by SECI/NTPC to support payment of at least three months of billing
- b. Letter of credit
- c. Tripartite agreement (an agreement between state governments, SECI, NTPC and RBI to ensure payment security)

These three factors make developers perceive lower risk for central counterparty auctions compared with state auctions, where these factors may or may not be present. Moreover, poor financial position of state authorities restricts the latter's ability to conduct new auctions as they will not be able to secure interest from developers.

Despite the above-mentioned challenges, CRISIL Consulting believes the sector does have an upside in view of the pipeline buildup and higher momentum through hybrid schemes. However, challenges, such as slow execution momentum on account of rising capital costs and viability concerns arising from lower bid tariff at wind project auctions, restrict overall capacity addition outlook. However, capacities under other schemes, such as the WSH scheme and other mixed resource tenders, offshore wind energy and repowering of existing low-capacity wind turbines, will add to overall capacity additions in the long run.

Key drivers for wind capacity additions

New tender opportunities, exposure to central intermediaries and technology are the key drivers that boost capacity in the sector.

Detailed look at these factors is discussed below:

1 New tender opportunities

New opportunities have emerged in the wind sector in India with SECI coming up with newer kind of project tenders in the form of hybrid, RTC, and peak power supply projects. Although the exact split between wind and solar in hybrid projects is based on developer choice and technical design. Such projects tend to have a higher share of solar energy, due to lower capital costs and ease of installation. However, as hybrid projects have a floor cap on capacity contribution from solar and wind (power capacity of one resource is at least 33% of the rated power capacity of the other resource), they contribute to capacity additions

for wind. Similarly, RTC and peak power supply projects also generate substantial demand for wind capacity addition as developers require a good mix of source (solar, wind and/or energy storage) to get the maximum possible efficiency. Furthermore, WSH tenders will lead to 4-5 GW capacity additions of wind over the next five years under the existing schemes. With fresh hybrid tenders in the industry, the additions will further increase gradually over the long term.

2 Improved technology

Newer wind turbines are being launched that have higher rated capacity and higher hub height (over 100 m), which can be set up at low-quality wind sites, otherwise considered economically unattractive. However, PLFs and subsequent viability would vary. Technological advancements have allowed players to set up windmills in states/sites with lower wind density. Based on our estimates, for every 100-bps change in PLFs, equity IRRs improve 100-150 bps. As per industry interactions, the capital costs will encompass improvement in turbine technology and 2-3.5 MW wind turbine technology will possibly be summoned. The technological improvement will enable capacity additions outside the windy region and allow developers to transition from key windy regions to other areas, thereby driving capacity additions.

3 Large-scale central allocations

After the competitive bidding of 1 GW in February 2017, SECI further allocated ~14.4 GW (excluding cancelled contracts) of capacities over March 2017-February 2023 through wind-only schemes. The MNRE has outlined further plans to tender 8GW of capacity each year, of which a major portion should be expected from SECI and PTC. This bodes well as central sector PPAs have lower counterparty risk than PPAs signed directly with discoms. The latter are known to delay payments to developers and have poor financial ratings, while SECI and PTC are better rated and provide various payment security mechanisms (LCs, payment security fund and SECI being party to the tripartite agreement).

Table 18: Competitive auctions over fiscals 2021-2023

Scheme	Month of allocation	Capacity allocated (MW)	L1 tariff (Rs /unit)
SECI Tranche IX	Aug-20	970	3.00
SECI Tranche X	Mar-21	1200	2.78
SECI Tranche XI	Sep-21	1200	2.69
MSEDCL Pan India	Oct-21	300	3.43
SECI Tranche XII	May-22	1100	2.89
SECI Tranche XIII	Dec-22	600	2.95

Source: CRISIL Consulting

4 Upward revision in RPO targets

The MoP notified a new RPO long-term trajectory for wind energy until fiscal 2030, which proposes target of 0.81% in fiscal 2023, increasing consecutively to 6.94% in fiscal 2030 for wind.

Currently, most of the states in India have set lower RPO targets (pan-India average non-solar RPO target in fiscal 2023 is 8.9% vs 10.50% required as per the MoP), resulting in higher compliance vis-à-vis the set targets. To meet the increased targets, states would have to procure more RE either via the REC route (which still leads to capacity additions) or via competitively bid out capacities. The waiver of ISTS charges by CERC for all projects set up until fiscal 2025 also enables the states with low renewable potential to procure renewable power from states that have capacities. However, RPO compliance is dependent on strict enforcement by regulatory authorities. Amendment to the Electricity Act, 2003, has been proposed to include stricter provisions to penalise for non-compliance.

5 Accelerated depreciation (AD)

In the past, especially in fiscals 2015 and 2016, AD had been a key driver for capacity additions. However, going forward, CRISIL Consulting expects capacity additions under this mode to be restricted only to large conglomerates in other unrelated businesses but seeking tax breaks. While AD was halved to 40% from April 2017 onwards, it will continue to support additions in the open-access segment.

6 High industrial tariffs in select states

In states such as Maharashtra, Karnataka, Tamil Nadu, and West Bengal, where industrial tariffs are high (Rs 6.0-6.5 per unit), wind power is an attractive option since generation cost is about Rs 3-4 per unit. Capacity can be set up via the open-access mode, i.e., via bilateral agreements directly with consumers, such as commercial/ industrial entities.

7 National Green Hydrogen Mission

The National green Hydrogen Mission is aimed at making India leading producer and supplier of green hydrogen by developing at least 5 million metric tonnes (MMT) per annum by 2030. The production is expected to start from fiscal 2026, which will require installation of renewables from fiscal 2024. Between fiscals 2024 and 2028, the fuel is expected to see a demand for 17-22 GW. This will drive the additions but will remain a key monitorable.

Wind power execution model changed due to the change in bidding mechanism

Earlier, OEMs that dominated the execution of wind power projects were able to charge a premium for bundled services, such as finding a suitable wind farm site, arranging licenses, undertaking liaisoning, ensuring grid connectivity, constructing, and even maintaining the plant. With larger IPPs becoming part of the sector over the past three-four years, the business model has changed.

With the advent of competitive bidding, developers now undertake more project-related activities in-house to cut costs. Another trend that has emerged is the forward integration of OEMs, given that they are favourably placed to do so as they possess attractive wind sites and manufacturing capabilities. This is evident from the bids submitted in the past, also attracting large equipment suppliers such as Inox, Gamesa and Regen Powertech, which have themselves bid for capacities. However, the weak financial position of most of the India-based OEMs is limiting their participation currently.

MNRE review of competitive bidding

In January 2023, the MNRE revised the competitive bidding mechanism for procurement of power from wind power projects. Key changes in the provisions are as follows:

- Bids for a cumulative capacity of about eight GW will be issued each year from January 1, 2023, onwards until 2030
- To ensure that wind energy capacity comes up in all the eight windy states, every bid will be a composite bid, comprising state-specific sub-bids for each of these states. Power generated from capacity established in each of the state sub-bids will be pooled and offered at pooled tariff to all procurers. The pooling of tariff will be as per the notified Electricity (Amendment) Rules, 2022.
- The bids will be on a single-stage two-envelope closed bid basis. One envelope will contain the technical bid, and the other, the financial bid. The envelope containing the technical bid will be opened first and the financial bid of only those bidders who qualify in the technical bid will be opened.
- The bids will specify the capacity to be installed. One sub-bid will be specific to one state. The cumulative size cap in any one of the B states in one year will not be more than 2 GW every year. SECI/ the implementing agency may determine the minimum and maximum bid size based on wind RPO targets of each state. The bid process, bid mechanism, technical pre-qualification process, preparatory phase, and methodology for tariff pooling across all state bids are annexed.
- Starting 2023 SECI will issue tenders for a cumulative 8 GW capacity every year until 2030. A detailed breakup of this capacity shall be issued by SECI.

Support policies and issues

To provide relief to wind developers, the MNRE had earlier permitted their projects facing difficulties to extend scheduled commercial operation dates, subject to certain conditions and adequate proof. Wind developers are again seeking such extension now due to various challenges they are facing. The same extension may be granted if:

- There is any change in land policy in a state after bidding or any delay in handing over of land by the state government as per policy
- There are any modifications in land and building rules of Tamil Nadu (for projects with PPAs signed after July 2018)
- There are delays in approval of request from the Ministry of Defense beyond 60 days, and subject to the condition that the request to the MoD must have been applied within 30 days of effective date of the PPA
- Extension in financial closure timelines in keeping with the extensions given to the final commercial operational date
- Other extension request sent by SECI to the MNRE

Apart from this, the MNRE has granted a 2.5-month extension for RE projects that have scheduled commissioning date on or after April 1, 2021. In fiscal 2021, the ministry also provided an extension of five months in addition to its initial blanket extension of lockdown plus 30 days amid the lockdowns, apart from clarifying that any delays from constraints related to the

virus outbreak will be treated as *force majeure*.

Further, in order to provide relief to wind project developers facing supply-chain disruptions due to the pandemic and monsoon-related issues, the Ministry has granted up to three-month extension for projects with power purchase agreement and those that placed orders for wind turbine generators before June 2021. However, the extension will only be considered by the MNRE after due diligence and scrutiny of the circumstances of specific cases.

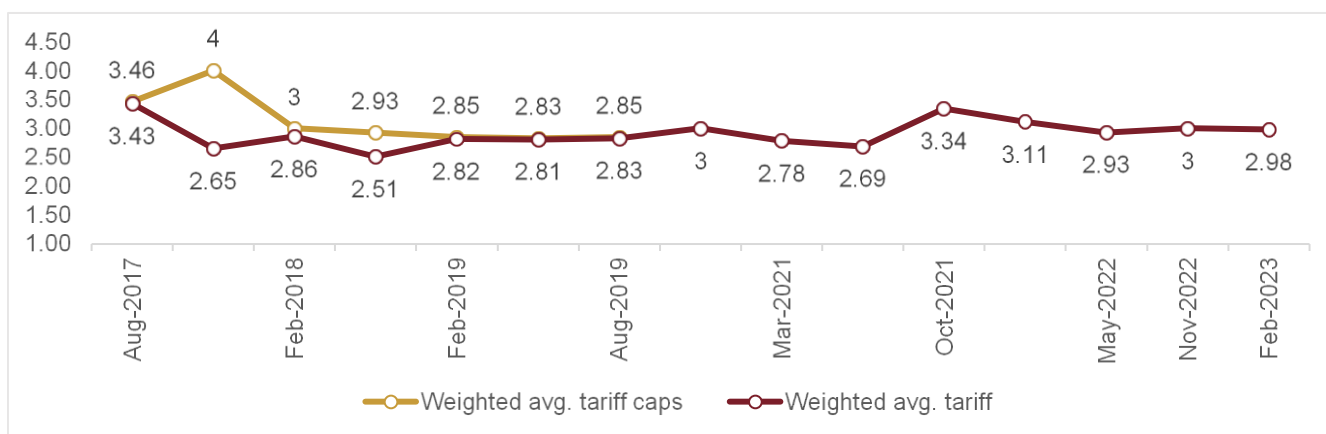
Grid and network congestion also plaguing industry

Developers have been raising concerns regarding lack of adequate grid infrastructure, either due to delay in construction or lack of connectivity because of congestion. According to the Global Wind Energy Council (GWEC), out of 29 substations for wind evacuation, only a few are viable for new bids. Others are either at uncompetitive wind resource sites or are fully occupied by the existing pipeline. Further, lower availability of type I wind sites in suitable locations is a cause for concern. Consecutively, projects bid out at low tariffs earlier are now facing execution challenges as project returns get impacted at increased costs owing to delays.

Removal of tariff ceilings a positive policy change

A continuous lowering of tariff ceilings in tenders had left little flexibility to developers who were already coping with execution challenges on the ground.

Figure 71: Tariff caps vs weighted average tariffs



Notes: 1) Tariff caps for ~6.1 GW auctioned over the period considered; ~8.5 GW auctioned did not have tariff caps; hybrid tenders excluded here (included in the solar energy section)

2) Tariff caps have been removed by the MNRE effective from March 2020. Hence, no tariff cap is applicable for the auctions post that in the chart

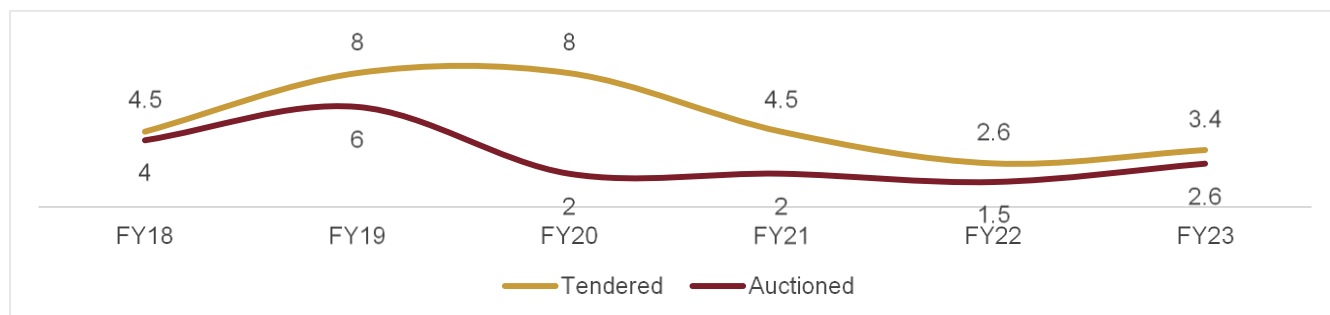
Source: CRISIL Consulting

As above figure shows, when tariff caps were imposed, bids were close to them. After March 2020, when the ceilings were removed, tariffs have been in the Rs 2.7-3.0 per unit range, unlike in solar energy where bids had fallen consistently. This indicates that developers had very little flexibility to bid below the tariff ceilings. This is mainly because of relatively stable to higher capital costs, as developers are no longer getting the hefty discounts from OEMs as was the case in fiscal 2018. That too was due to the pressure on OEMs. In fact, the discounts made them financially weak, especially after the shift to the competitive bidding regime.

Tendering and auctioning

Tendering and auctioning remain tepid for wind projects as the sector is grappling with execution challenges on account of lower viability of projects, delays in regulatory approvals, and land acquisition and transmission LTA delays. The slow execution momentum in the wind sector is because tenders have been piled up and auctioning is delayed due to poor bid response.

Figure 72: Tendering and auctioning over fiscals 2018-2023



Note: For fiscal 2023, data pertains to April-February period.

Source: CRISIL Consulting

The situation has become more acute in the recent fiscals. The share of allocation out of total tenders outstanding dropped to 25% in fiscal 2020. It recovered to 44% in fiscal 2021, but on a lower tender volume of ~4.5 GW (fall of ~44% y-o-y). Similarly, in fiscal 2022, the share increased to 58%, but on lower tender volume of 2.6 GW. In the present circumstances, post the competitive regime from February 2017, out of ~19.5 GW of wind-only allocation activity, only ~29% has been commissioned and ~26% cancelled, indicating that the older projects are still in the pipeline and are facing execution challenges.

Wind solar hybrid outlook

Outlook for WSH capacity additions in India over fiscals 2024-2028

WSH is fast becoming the preferred RE option in India. Although the MNRE has not yet set a generation target, the nascent sector has received strong support from SECI and several state governments. There are two types of WSH projects — pure-play ones and those with storage. There are also projects that may come up under the government’s RTC power scheme, which has a mandatory 51:49 blend of RE and thermal.

India has introduced RTC generation tenders, including hybrid tenders to strengthen clean generation combining solar, wind and storage technologies. The MNRE introduced the National Wind-Solar Hybrid Policy on May 14, 2018. The main objective of the policy is to provide a framework for the promotion of large grid-connected wind-solar PV hybrid systems and efficient utilisation of transmission infrastructure and land. It also aims to reduce the variability in renewable power generation and achieve better grid stability. It is expected that India will witness ~13-15 GW of WSH capacity in the next five years ((fiscal 2024 to fiscal 2028) out of which around 6-6.6 GW will be from wind.

Support policies for WSH plants

National Wind-Solar Hybrid Policy 2018

This policy aims to encourage new technologies, methods and way-outs involving combined operation of wind and solar PV plants. The aim is to reduce RE variability and improve grid stability.

Capacity: A wind-solar plant will be recognised as hybrid if the rated power capacity of one resource is at least 25% of the rated power capacity of other resource.

Integration: The policy provides for integration of both energy sources, wind and solar, at alternating current (AC) and direct current (DC) level.

Hybridisation of existing wind/solar PV plants: Existing wind or solar power projects, willing to install solar PV plant or WTGs to avail benefit of hybrid project may be allowed to do so under certain conditions.

Battery storage: Battery storage may be added to the hybrid project to reduce the variability; providing higher energy output for a given capacity and ensuring availability of steady power during a particular period.

State level policies

Based on the MNRE’s WSH policy, governments of RE-rich states have also introduced their own WSH policies. Gujarat was the first to come up with such a policy in 2018. Rajasthan, Andhra Pradesh, and Karnataka followed. This has helped set up open access WSH projects and encouraged corporates to procure RTC power from such projects. These policies provide clarity

in terms of various provisions, such as RPO, banking, settlement period, various waivers and incentives, applicability of transmission and wheeling charges and waiver in electricity duty etc.

Table 19: State-wise WSH policies

Parameter	MNRE	Gujarat	Andhra Pradesh	Rajasthan	Karnataka
Issued in	May 2018	June 2018	January 2019	December 2019	April 2022
Capacity targets	-	-	5,000 MW	3,500 MW by fiscal 2025	-
RPO	RPO can be fulfilled separately for solar and non-solar	RPO can be fulfilled separately as well as commonly depending on the project type	RPO can be fulfilled separately for solar and non-solar	Mandatory for discoms to purchase power equivalent to 5% of their RPO targets under this policy	RPO can be fulfilled separately for solar and non-solar
Banking	-	-	5% banking charges	10% banking charges	2% banking charges
CSS	-	Captive: 100% exemption Third-party sale: 50% concession	50% waived for third-party sale for projects set up within the state	-	-
Additional surcharge	-	Captive: 100% exemption Third-party sale: 50% concession	-	-	75% exemption
Transmission and wheeling charges	100% exemption for already existing plants	Captive consumers: 50% concession on wheeling charges and losses Third-party sale: No waivers	50% exemption in transmission and wheeling charges for new projects developed within the state	Hybrid: 50% concession for captive/ third party sale for 7 years from project commissioning. Hybrid + storage: 75% concession for captive/ third party for 7 years from the year of commissioning	Charges will be applicable for additional transmission capacity
Electricity duty	-	100% exemption for intrastate consumption	50% exemption for intrastate consumption	100% exemption for intrastate captive consumption	100% exemption for intrastate consumption applicable for third parties

Sources: MNRE, respective state policy documents, CRISIL Consulting

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”, and “Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust” on pages 61 and 273 respectively, and the “Audited Special Purpose Combined Financial Statements” and the “Projections of Revenue From Operations and Cash Flow from Operating Activities” enclosed as Annexure A and Annexure B 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.

Unless otherwise stated or the context requires otherwise, the financial information included herein is based on our Audited Special Purpose Combined Financial Statements included in this Draft Placement Memorandum. For further details, see “Audited Special Purpose Combined Financial Statements” enclosed as Annexure A. Unless otherwise stated or the context requires otherwise, references in this section to “we”, “our”, or “us” are to the Trust along with the Initial Portfolio Assets. However, for the purpose of the Audited Special Purpose 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 Audited Special Purpose Combined Financial Statements. 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. Investors 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 Audited Special Purpose Combined Financial Statements.

Industry and market data used in this section have been extracted from the CRISIL Report. For further details in relation to the CRISIL Report, please see the section entitled “Industry Overview” on page 151. Additionally, for further details and risks in relation to CRISIL Report, please see the section entitled “Risk Factors” on page 61.

Overview

Sustainable Energy Infra Trust (“SEIT” or “Trust”), is an Indian infrastructure investment trust, sponsored by 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers’ Pension Plan Board (“OTPPB”) and Mahindra Susten Private Limited. According to the CRISIL Report, with entire capacity of the MSPL Sponsor proposed to be part of the proposed Trust, it would become the Indian InvIT with the largest renewable energy portfolio. The Sponsors established the Trust on July 20, 2023 and the Trust was registered with SEBI on August 11, 2023 as an InvIT in accordance with the InvIT Regulations. The Trust proposes to have a focus on investment in renewable energy projects.

The Trust, subject to receipt of certain approvals, will directly or indirectly hold 100.00% equity interest in the six Initial Portfolio Assets (including BREPL, ASPL and NSPL, which are currently held by MRPL), which shall collectively hold eight renewable energy projects (“Projects”). The Initial Portfolio Assets are currently directly or indirectly held by the MSPL Sponsor and other shareholders. The Projects have an aggregate capacity of 1.54 GWp and are located across five states in India with operating histories of approximately one to seven years. Each of the Initial Portfolio Assets have entered into long term power purchase agreements (“PPAs”) with approximately 96% by DC capacity of the PPAs having been entered into with counterparties which are backed by the Central Government and Madhya Pradesh Power Management Company Limited (“MPPMCL”) and Delhi Metro Rail Corporation Limited (“DMRC”). As on March 31, 2023, the weighted average residual term of the PPAs, calculated using DC capacity, is approximately 22.69 years and the Projects may have further life of approximately 10 years after expiry of the PPAs.

A brief description of the Projects held by our Initial Portfolio Assets and a map illustrating the locations of the Projects have been set out below:

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Total Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)
ASPL Project	Gujarat	April 30, 2017	40.00	52.00	4.43	Solar Energy Corporation of India Limited (“SECI”)	25
	Gujarat	July 2, 2017	25.00	32.50	4.43	SECI	25
BREPL Project	Andhra Pradesh	January 5, 2016	10.00	12.50	5.99 ⁽¹⁾	Southern Power Distribution	25

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Total Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)
						Company of Andhra Pradesh Limited (“APSPDCL”)	
ISTS Project	Rajasthan	October 29, 2021 ⁽²⁾	250.00	362.00	2.53	SECI	25
Rewa Project	Madhya Pradesh	January 3, 2020	250.00	336.30	2.979 ⁽³⁾	MPPMCL and DMRC	25
Goyalri Project	Rajasthan	April 30, 2017	60.00	78.00	4.35	National Thermal Power Corporation Limited (“NTPC”)	25
SECI RJ Project	Rajasthan	October 14, 2021 ⁽⁴⁾	200.00	280.00	2.50	SECI	25
MSUPL Project	Rajasthan	June 17, 2022 ⁽⁵⁾	250.00	335.00	2.54	SECI	25
NSPL Project	Telangana	November 6, 2017	42.00	49.70	5.59	Northern Power Distribution Company of Telangana Limited (“TSNPDCL”)	25

(1). ₹ 5.99 / KWh with yearly escalation of 3% till the 10th year

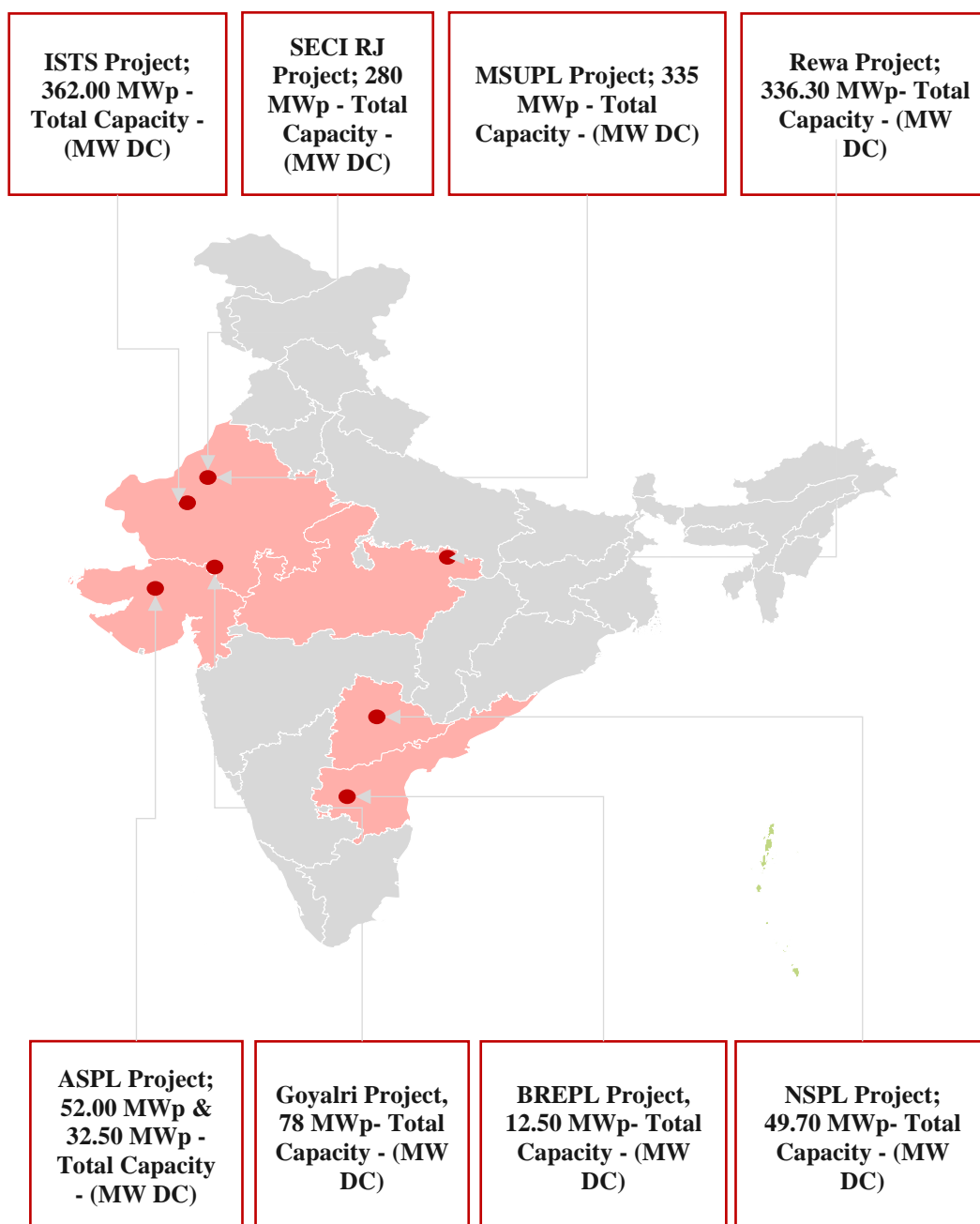
(2). COD is October 15, 2021, however, the amended scheduled commercial operations date is October 29, 2021

(3). +₹ 5 paise yearly escalation from the 2nd to the 16th year

(4). COD is October 14, 2021, however the SCOD is December 1, 2021

(5). COD is June 17, 2022, however, the SCOD is June 29, 2022

For further details in relation to the Initial Portfolio Assets, please see the section entitled “Summary of Power Purchase Agreements” on page 238.



Note: Map not drawn to scale.

The revenue from operations of the Initial Portfolio Assets on a combined basis for the Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 was ₹7,343.19 million, ₹5,205.37 million, and ₹3,265.94 million respectively. The table below sets forth the key financial and operational indicators in relation to the Initial Portfolio Assets on a combined basis for the periods indicated:

₹ in millions, except percentage

Particulars	As of/for the year ended March 31, 2021	As of/for the year ended March 31, 2022	As of/for the year ended March 31, 2023
Revenue from operations	3,265.94	5,205.37	7,343.19
Other income	82.53	127.75	306.86
EBITDA*	2,924.58	4,433.68	6,216.29
EBITDA Margin %	89.55%	85.18%	84.65%

* EBITDA is calculated as Profit Before Tax and Exceptional Items + Depreciation and Amortisation + Finance Cost – Interest Income

For further details please see the section entitled “Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust” on page 273.

According to the CRISIL Report, the potential of solar energy in India is high and there exist a few challenges, which are critical to achieving rapid growth of solar power. Pursuant to the 'right of first offer agreement' to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors (the "**ROFO Agreement**"), the Trust has a 'right of first offer' to acquire projects developed by the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date. Additionally, the Investment Manager has, on behalf of the Trust, adopted an Acquisition Policy which governs the acquisition of assets from third parties. For further details on the ROFO Agreement, please see sections entitled "*Related Party Transactions*" and "*Corporate Governance*" on pages 295 and 137.

The OTPP Sponsor is a 100% subsidiary of OTPPB. OTPPB is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. OTPPB has extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its recent 30% investment in the MSPL Sponsor in 2022, its investment of up to US\$175 million in the infrastructure investment trust Highways Infrastructure Trust, in 2022, its investment of C\$ 308 million in National Highways Infra Trust across 2021 and 2022 and its US\$250 million commitment to the National Investment & Infrastructure Fund in 2019.

The MSPL Sponsor is Mahindra Group's renewable energy platform, which includes one of the leading renewable engineering, procurement and construction ("**EPC**") businesses (capacity constructed of over 4.5 GWp), an independent power producer ("**IPP**") business with around 1.54 GWp of operational solar plants spread across several states in India, and plan to have a significant solar development pipeline. The IPP solar portfolio is spread across 5 key states in India and is backed by long-term power purchase agreements. Approximately 96% of the MSPL Sponsor's assets are backed by Central Government and Madhya Pradesh Power Management Company Limited ("**MPPMCL**") and Delhi Metro Rail Corporation Limited ("**DMRC**"). Besides its own in-house management team with extensive capabilities across both EPC and IPP domains, the MSPL Sponsor also benefits from solar plant operations and maintenance services and other technical expertise of Mahindra Teqo Private Limited.

The Mahindra Group is one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. The Mahindra Group has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate and has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living.

The Trustee, Axis Trustee Services Limited is a trusteeship company which has been registered with SEBI as a debenture trustee under the SEBI Debenture Trustee Regulations since January 31, 2014. The Investment Manager of the Trust is Sustainable Energy Infra Investment Managers Private Limited and the Project Manager of the Trust is Green Energy Infra Project Managers Private Limited. The Investment Manager and Project Manager of the Trust will manage the Trust's and the Initial Portfolio Assets' businesses. For further details, please see the section entitled "*Our Business – Operations and Maintenance*" on page 235.

For further details of the Sponsors, the Investment Manager, the Project Manager and the Trustee, please see the section entitled "*Parties to the Trust*" on page 102.

Our Strengths

The key strengths of the Trust include the following:

1. Sizeable portfolio of long-term income generating assets with predictable cash flows

The Trust will have a sizeable initial portfolio consisting of six Initial Portfolio Assets, collectively holding eight renewable energy projects. The Trust, accordingly, would become the Indian InvIT with the largest renewable energy portfolio, according to the CRISIL report.

The Initial Portfolio Assets have operating histories of approximately one to seven years and have no construction risks and are 100% operational Projects. Each of the Initial Portfolio Assets have entered into long term PPAs with the weighted average residual term of the PPAs, calculated using DC capacity, of approximately 22.69 years as on March 31, 2023.

Our Initial Portfolio Assets use modules and inverters manufactured by vendors such as Canadian Solar Inc., First Solar FE Holdings Pte. Ltd., Jolywood (Taizhou) Solar Technology Co. Ltd., Zhejiang Jinko Solar Co. Ltd., Trina Solar Energy Development Pte. Ltd., Sungrow India Private Limited, SMA Solar India Private Limited, Sineng Electric India Private Limited and Longi Solar Technology Co. Ltd.

In accordance with the terms of the PPAs, the Projects have a pre-determined tariff structure, with escalations specifically set out in the PPAs in some instances. As on March 31, 2023, the Projects had a weighted average tariff of ₹2.99 per KWh based on DC capacity and tariffs). For details in relation to the PPAs, please see the section entitled "*Summary of Power*

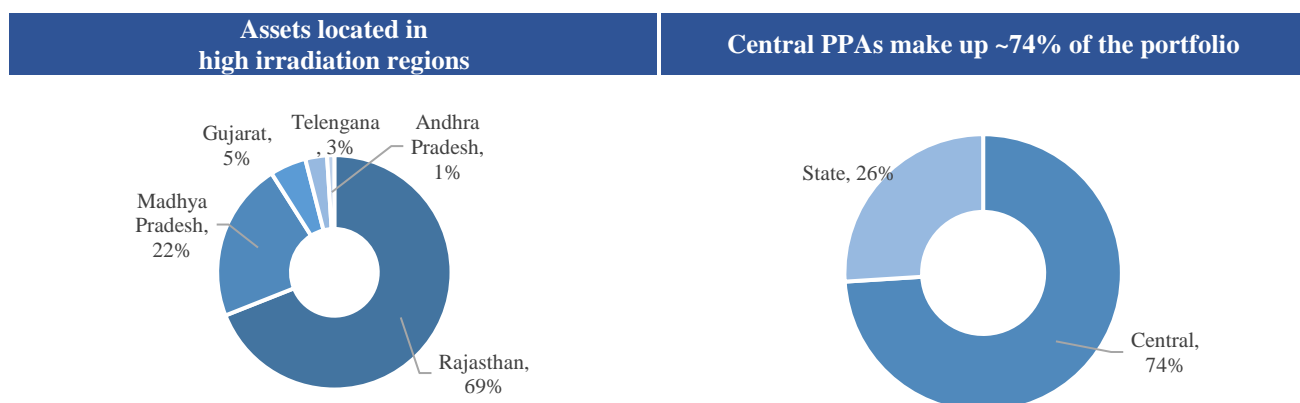
Purchase Agreements” on page 238. The long-term nature of the PPAs and the pre-determined tariff structure result in the Projects generating stable revenue and predictable cash flows.

As a result, our Initial Portfolio Asset have maintained an average plant availability of 98.2%, for the year ended March 31, 2023, which is one of the factors which provides stable cash flows from our Initial Portfolio Assets. The revenue from operations of the Initial Portfolio Assets on a combined basis for the Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 was ₹7,343.19 million, ₹5,205.37 million, and ₹3,265.94 million respectively.

2. **Diversification across strategically located assets with stable off-takers**

India has 300 days of sunshine each year, with daily peak electricity use being in the evenings and a seasonal peak in the summer, according to the CRISIL Report. As per the CRISIL Report, some regions of states like Gujarat, Rajasthan, Madhya Pradesh, Andhra Pradesh, Karnataka, Tamil Nadu offer more solar irradiance as compared to other parts of India which makes them desirable for installing solar projects. Majority of the Initial Portfolio Assets proposed to be held by the Trust are strategically located in these States. The Projects are located across five states of India, being, Rajasthan, Madhya Pradesh, Gujarat, Telangana and Andhra Pradesh.

Please see below state wise location of Initial Portfolio Assets along with the PPA make up, according to the CRISIL report:



(Source: CRISIL Report)

As on March 31, 2023, the Projects had a weighted average tariff of ₹2.99 per KWh based on DC capacity and tariffs).

Further, the Initial Portfolio Assets have entered into long-term PPAs with off-takers primarily comprising of Central Government agencies, State government agencies and private off-takers such as DMRC.

Additionally, pursuant to the ‘right of first offer agreement’ to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors (the “**ROFO Agreement**”), the Trust has a ‘right of first offer’ to acquire projects developed by the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date. Additionally, the Investment Manager has, on behalf of the Trust, adopted an Acquisition Policy which governs the acquisition of assets from third parties. Accordingly, this will lead to further diversification of the portfolio of assets that may be held by the Trust. For further details in relation to the Acquisition Policy adopted by the Investment Manager (on behalf of the Trust), please see the section entitled “*Corporate Governance – Policies of the Board of Directors of the Investment Manager in relation to the Trust – Acquisition Policy*” on page 145

3. **Growth potential backed by the Sponsors and the ROFO over future assets developed by the MSPL Sponsor**

The OTPP Sponsor and its affiliates, and the MSPL Sponsor, have significant experience in identifying and executing mergers and acquisitions in the infrastructure space. The Trust can utilise such experience to negotiate acquisitions, which may generate profit and create growth opportunities for the Trust. For further details in relation to our Sponsors, please see the section entitled “*Our Business – Our Strengths – Strong Sponsor Support*” on page 220.

We also intend to leverage the experience and expertise of the MSPL Sponsor by accessing its pipeline of renewable energy projects to gain a competitive advantage within the renewable energy industry in India. Pursuant to the ROFO Agreement, we have a ‘right of first offer’ to acquire renewable energy assets. For details in relation to the ROFO Agreement, please

see the section entitled “*Related Party Transactions*” on page 295.

4. ***Strong Sponsor support***

We intend to leverage the experience and expertise of our Sponsors and their affiliates, to gain a competitive advantage within the energy infrastructure industry. The OTPP Sponsor and its affiliates, and the MSPL Sponsor, have extensive experience of operating and managing large-scale projects. This will benefit us across all stages of project operations and acquisitions within India’s complex regulatory framework. Drawing upon this experience, we believe our affiliation to our Sponsors, provides us the ability to leverage their parentage and long-term industry relationships with stakeholders. Further, our affiliation to our Sponsors will allow us to pursue renewable energy projects and engage effectively with counterparties, off-takers and regulatory authorities. Further, the Mahindra Group and OTPPB have entered into a strategic partnership to capitalise on the growing renewables opportunity in India and contribute towards the country’s decarbonisation ambitions. As a result of this transaction, the Mahindra Group and OTPPB have committed to deploy an additional amount of up to ₹ 45,500.00 million into the business of the MSPL Sponsor.

MSPL Sponsor

The MSPL Sponsor has a track record in developing, operating and maintaining renewable energy projects across India. The MSPL Sponsor has a portfolio of owned renewable assets with a capacity of more than 1.5 GWp (with all assets being operational). The MSPL Sponsor has an in-house engineering, procurement and construction team and has developed/executed renewable assets with a total capacity of more than 4.5 GWp (including Initial Project Assets and other renewable assets developed for other independent power producers and third parties) including projects developed across Thailand and Saudi Arabia. Over the years, the MSPL Sponsor has demonstrated its capability to adapt and deploy various advanced technologies including solar thin film modules as an independent power producer, single-axis trackers, automated cleaning robots, all-terrain cable trays for laying cables on rocky strata and containerised inverter stations, bi-facial modules and BESS (battery energy storage system). The MSPL Sponsor had a win ratio of 39% across Central and State tenders during the period March 31, 2016 to March 31, 2020.

The MSPL Sponsor’s team consisting of more than 200 members as of March 31, 2023 and has expertise across the value chain (including project bidding and site selection, land acquisition, engineering, procurement and construction, operations and maintenance, asset management, and capital structuring and financing for both equity and debt) ensuring returns for high-quality projects delivered. The MSPL Sponsor has a robust internal control system with policies and procedures in place to adhere with environment, health and safety, and all other regulatory requirements.

The MSPL Sponsor is backed by the Mahindra Group and OTPPB (with a 30% shareholding owned by 2452991 Ontario Limited, a subsidiary of OTPPB). The Mahindra Group enjoys a leadership position in farm equipment, utility vehicles, information technology and financial services in India and also has a presence in more than one hundred countries around the world. Mahindra & Mahindra Limited had a consolidated revenue from operations of ₹ 1,212,685.50 million for the period ended March 31, 2023. It has a strong commitment towards sustainability and aims to be a carbon neutral group by 2040 with 100% use of renewable electrical energy.

OTPP Sponsor

The OTPP Sponsor is a 100% subsidiary of OTPPB which is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. It is engaged in investment activities primarily with an objective of generating stable returns and earning long term capital appreciation and has more than 350 dedicated investment professionals with expertise in various industries as on March 31, 2023.

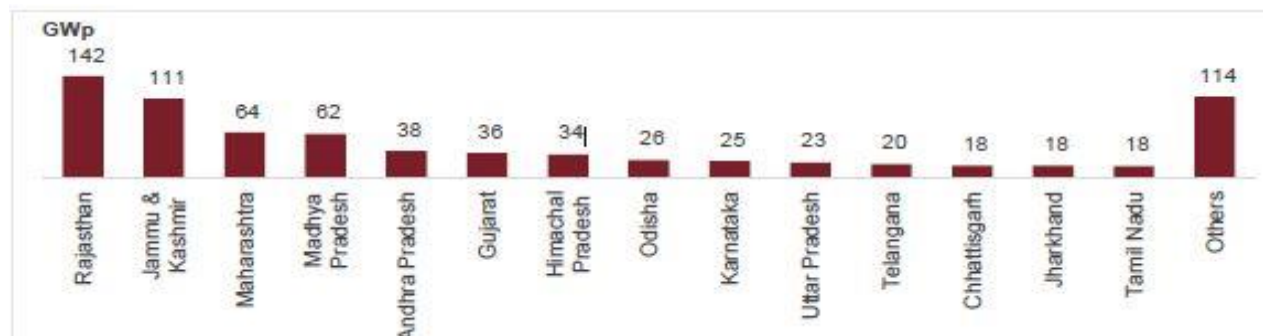
OTPPB has extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its recent 30% investment in MSPL Sponsor in 2022, its investment of up to US\$175 million in the infrastructure investment trust Highways Infrastructure Trust, in 2022, its investment of C\$ 308 million in National Highways Infra Trust across 2021 and 2022, and its US\$250 million commitment to the National Investment & Infrastructure Fund in 2019. OTPPB has invested US\$ 25 billion (as of November 2022) in green energy and decarbonization across APAC, North and South America and Europe. OTPPB also has extensive experience in global renewable energy transactions including its 50% acquisition of a 2.5GW renewable energy portfolio from NextEra (2021), its ~50% interest in Asia-focused renewable energy platform Equis Development (2020) and its 50% stake in global renewables platform Cubico Sustainable Investments (2015).

5. ***Attractive industry sector with favourable government policies***

According to the CRISIL Report, installed generation capacity across fuels reached 416 GW as of fiscal 2023, on the back

of healthy renewable energy capacity additions of ~56 GW over fiscals 2018-23 and is expected to reach 550-600 GW by fiscal 2028 as renewable capacity additions (solar and wind) nearly triple to 166-172 GW over the next five years. Further, India’s renewed ambitious target of reaching 500 GW of non-fossil fuel capacity by 2030 is to involve enhancement of the hydro capacity pipeline to support core renewables such as solar and wind, according to the CRISIL Report.

According to the CRISIL Report, National Institute of Solar Energy estimated India’s solar potential at 748 GW, assuming solar photovoltaic modules cover 3% of the geographical surface. Details of state-wise solar potential is given below:



(Source: CRISIL Report)

As per the CRISIL Report, an addition of 142-147 GW of solar capacity is expected between fiscals 2024 and 2028, followed by 24-25 GW through wind. Growth in capacity additions will be driven by government support, with an aggressive tendering roadmap outlined by the Government. A few external factors such as an improvement in technology (floating solar and module efficiency), low-cost financing and policy push are enablers. The expected installation pipeline would increase the share of renewable capacity from 41% in fiscal 2023 to ~57% in fiscal 2028, according to the CRISIL Report.

According to the CRISIL Report, the Government of India has laid significant emphasis on climate change, for which it provided a framework, National Action Plan on Climate change (“NAPCC”), in 2008, where it proposed an eight-pronged strategy — National Solar Mission (“NSM”), energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture, and strategic knowledge on climate change the Government of India has laid significant emphasis on solar power. This is also evident from the 100 GW out of 175 GW target set out by the Government of India. Apart from providing incentives, the government has lent significant support to the solar power sector for execution of projects.

The Trust proposes to primarily focus on investing in solar, wind and hybrid technologies. According to the CRISIL Report, National Institute of Solar Energy estimated the country’s solar potential at 748 GW, assuming solar photovoltaic modules cover 3% of the geographical surface. Based on the study by the National Institute of Wind Energy, the installable wind potential of the country is estimated as 695 GW at 120m above ground level. One of the most important initiatives by the Government of India has been setting up of solar parks in the country. This is critical given the land-intensive nature (~5 acres required per MW of solar PV) of solar projects, coupled with low average holding (1.16 hectare) per person in India. Under the Solar Park Policy released in September 2014, the Government of India planned to prepare land banks for 20,000 MW of solar projects across 25 states. The capacity of the scheme was doubled from 20,000 MW to 40,000 MW on March 2017, to set up at least 50 solar parks by fiscal 2022. According to CRISIL Report, solar parks significantly reduce construction/ execution risk as they include a contiguous parcel of land. The Investment Manager believes that due to high potential in the solar energy industry and green initiatives by the Central Government, a number of acquisition opportunities may be available for the Trust. Further, trends such as (i) availability of contiguous parcels of land, (ii) adequacy of evacuation infrastructure, (iii) availability of low-cost capital and (iv) availability of debt and equity finance to the developers in the solar sector have increased attractiveness of assets in the sector and created extensive growth opportunities for the Trust.

Accordingly, we believe we are well placed within a growing industry to leverage the macroeconomic factors to grow our business. For further details on the market opportunity for the renewable energy industry in India, please see the section entitled “Industry Overview” on page 151.

6. *Managed by an experienced team with expertise in managing infrastructure assets*

We are managed by the qualified personnel of our Investment Manager, that is led by a professional team having extensive experience in the infrastructure sector, including the power sector, project finance and asset management with the key personnel and directors having a combined experience of more than 130 years in fund management and advisory services.

We also draw on the knowledge of the Board of Directors of Investment Manager, who bring us expertise in the areas of corporate governance, business strategy, and operational and financial capabilities, among others. Accordingly, we expect to benefit from the industry and management expertise of the team of our Investment Manager, by receiving strategic guidance from them and access to capital markets and value accretive acquisition opportunities. Further, we depend on the Project Manager, which has qualified personnel with experience in the infrastructure sector and in-depth understanding of managing renewable energy projects, to supervise the operation and maintenance of the Projects. For further details on the Investment Manager and the Project Manager, please see the section entitled “*Parties to the Trust*” on page 102.

We believe that the experience of our management team (Investment Manager and Project Manager) in the infrastructure sector will ensure that the Initial Project Assets and the Trust are operated and managed in an efficient manner. The team is supported by other qualified operational personnel, through appropriate contractual arrangements, who have an in-depth understanding of the sector in which we operate.

With the aim of enshrining principles of good corporate governance and effective management and operations of the Trust, the Investment Manager has constituted various committees such as the ‘audit and risk management committee’ and adopted various policies such as an ‘anti-corruption policy’ and a ‘policy in relation to unpublished price sensitive information’ to manage the activities of the Trust. In accordance with the InvIT Regulations, the Investment Manager has also adopted the (a) ‘distributions policy’ pursuant to which distributions are required to be made to the Unitholders at least once a year for periods after Allotment and (b) ‘borrowing policy’ which aims to outline the borrowing thresholds and process in relation to the Trust. Further, the Investment Manager has also adopted the ‘appointment of auditor and valuer policy’ which aims at formulating a structure for ensuring compliance by the Trust in appointment of its auditor and the auditing standards followed and the appointment of its valuer, in accordance with applicable law including the InvIT Regulations and ‘code of conduct policy’ which aims at formulating a framework for ensuring interest of the Unitholders and proper conduct in carrying out the business and affairs of the Trust. For details in relation to the corporate governance framework of the Investment Manager, please see the section entitled “*Corporate Governance*” on page 137.

We believe that our governance process will ensure adherence and enforcement of principles of sound corporate governance with the objectives of fairness, transparency, professionalism, trusteeship and accountability, while facilitating effective management of the businesses and efficiency in operations.

Our Strategies

Going forward, the following are our business strategies:

1. *Continue to pursue accretive growth by expanding the portfolio of energy assets*

As per the CRISIL Report, additions in solar power capacity of 142-147 GW over the next five years through fiscal 2028 is expected, as compared with ~54.50 GW over fiscals 2018-2023. We intend to capitalize on these sectoral tailwinds to grow our operations by leveraging our Investment Manager’s value accretive acquisition strategy. We aim to focus on acquiring renewable energy projects in accordance with our investment objectives. Pursuant to the ROFO Agreement, we have a ‘right of first offer’ to acquire renewable energy assets from the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date.

The Mahindra Group and OTPPB have entered into a strategic partnership to capitalise on the growing renewables opportunity in India and contribute towards the country’s decarbonisation ambitions. As a result of this transaction, the Mahindra Group and OTPPB have committed to deploy an additional amount of up to ₹ 45,500.00 million into the business of the MSPL Sponsor. This transaction will further enable us to build a strong renewable energy business focused on solar energy, hybrid energy, integrated energy storage and round-the-clock (“**RTC**”) green energy plants.

In addition to potentially acquiring the ROFO Assets from the MSPL Sponsor, we may also evaluate opportunities and acquire projects from other third parties and aim to have a mix of projects with solar, wind, hydro and any other renewable energy asset category. We intend to assess such opportunities based on our investment criteria such as the assets having strong counterparties with a mix of central off-takers, state and large enterprises, the energy source, the size of the projects, the tariff rates, long residual life of the assets and strategy to hold assets till maturity. The Investment Manager proposes to undertake extensive due diligence on the projects prior to acquisition, including in terms of technical strengths of the assets, financing undertaken, the safety, environmental health and sustainability aspects of the assets and a review from a compliance standpoint including legal, regulatory, anti-bribery and corruption, fraud and sanctions diligence. The Investment Manager shall focus on sourcing assets and hedging unforeseen transaction risks through appropriate transaction structuring. Indicative target eligible infrastructure project classes, which may be acquired by the Trust in future are as follows:

- e) grid connected solar and wind assets;
- f) hybrid solar or wind assets;
- g) round the clock and hybrid; and
- h) any other eligible infrastructure asset operating in the relevant energy sub-sector, as identified in the harmonized list of infrastructure sub-sectors and as agreed between the Sponsors.

For details in relation to the acquisition of assets, please see the sections entitled “*Related Party Transactions – ROFO Agreement*” and “*Corporate Governance – Acquisition Policy*” on pages 304 and 145.

2. *Institute and maintain prudent capital management policies and maintain optimum capital structure to maximise distributions for Unitholders’*

We seek to achieve an optimal capital structure for our Projects and will seek to source funds from multiple sources, including from domestic and international markets. Immediately on completion of the Offer, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 49% of the total value of the InvIT Assets, as prescribed under the InvIT Regulations and we seek to ensure that the Trust has a debt structure to support the capital available with the Trust. Our low leverage will also result in better credit rating for our Trust, thus allowing us favourable financing terms and cost. CRISIL Ratings Limited has assigned a “Provisional CRISIL AAA/Stable” rating for the proposed long-term bank facility of the Trust, in their credit rating rationale, taking into account the Initial Portfolio Assets, subject to the terms set out therein. We have the potential to increase our borrowings in the future to up to 70% of the value of our assets under management while maintaining a AAA credit rating, obtaining unitholders approvals and complying with certain other conditions and we intend to optimize our leverage to retain enough flexibility to provide sustainable and predictable cash flows, while evaluating potential acquisition or development opportunities in the future.

We will seek to employ appropriate financing and borrowing policies and also diversify our funding sources with an objective of minimizing our overall cost of capital. We will seek to optimize our debt and equity mix in such a manner that the aggregate consolidated borrowings and deferred payments of the Trust, net of cash and cash equivalents, will be in accordance with the InvIT Regulations. Further, total debt of 70% of the value of the InvIT Assets will be raised only upon compliance with the conditions set out in the InvIT Regulations. 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. We shall distribute at least 90% of the net distributable cash flows of the Trust to the Unitholders, at least once in every financial year.

3. *Implement a robust Environmental Social Governance (“ESG”) and sustainability framework*

We aim to keep increasing our focus on ESG aspects to remain relevant and operate a business that is viable in the long-term. Apart from traditional risks, businesses are also exposed to the anticipated risk of climate change and therefore we continue to orient our operations as an ESG-focused enterprise.

According to the CRISIL Report, under the backdrop of supportive regulatory and industry trends in India’s renewable energy sector, we intend to strengthen our position in our renewable energy businesses, develop a diversified portfolio of renewable energy projects and focus on geographical clusters to increase our economies of scale. We will continue to focus on our ESG goals, by reinforcing our commitment to renewable energy, maximizing energy efficiency, reducing our carbon footprint, and enhancing sustainability. We propose to set up ESG management systems and ESG action plans and we intend to ensure compliance with the same and ensure that relevant performance standards are considered while engaging in activities with any environmental or social impact. The Investment Manager (on behalf of the Trust) intends to leverage its experience in executing large renewable energy projects. We will continue to evaluate accretive acquisition opportunities based on our targeted returns, available synergies, and off-taker criteria.

We also place significant emphasis on social and economic development by optimizing value retention in the local economy by generating local employment, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability, and ensuring the health and safety of our workforce in the communities where we operate.

For further details, please see the section entitled “*Our Business – Environment, health and safety*” on page 236.

4. *Continue to optimise operational efficiencies*

We shall appoint the Project Manager to undertake operations management of the Projects in furtherance of which the Project Manager shall enter into O&M agreements with Mahindra Teqo. Further, Mahindra Teqo will be provided a right-of-first-offer over the O&M services for any future projects to be acquired by the Trust.

The principal objective is to incorporate standard industry practices in operating and maintaining the Projects. This standard approach to O&M activities seeks to employ both preventive and corrective measures in order to optimise the long term performance of each Project and any assets we may acquire in the future and ensure timely and effective management focus and attention, to improve overall operational efficiency. We are in the process of adopting comprehensive procedures for asset management, operations and maintenance, ESG management, financial management including treasury management; human resource management, and safety, health environment, and quality management with an objective of incorporating industry standard practices. We believe that having established procedures in place helps reduce the overall operational costs and increase efficiencies, which may in turn improve our financial performance. We intend to regularly review our maintenance methodologies and system performance for optimization of resource deployment.

Structure of the Trust

The Sponsors have set up the Trust on July 20, 2023, as a contributory irrevocable trust, under the provisions of the Indian Trusts Act, 1882. The Trust was registered with SEBI as an infrastructure investment trust under the InvIT Regulations on August 11, 2023, having registration number IN/InvIT/23-24/0027. The Trust's principal investment objectives to carry on the activity of an infrastructure investment trust under the InvIT Regulations. Investment by the Trust shall be in any manner permissible under, and in accordance with, the InvIT Regulations and Applicable Law, including in such Holdcos and/or SPVs, securities in India as permitted under the InvIT Regulations and the Investment Objectives.

The Trust will, subject to receiving the requisite approvals, acquire the Projects through the acquisition of 100.00% of the issued and paid-up equity share capital of the Initial Portfolio Assets from the MSPL Sponsor and other shareholders. Please see the section entitled "*Formation Transactions in relation to the Trust*" on page 23, for a graphical representation of the structure of the Trust.

Brief Description of the Projects

The Trust, subject to receipt of certain approvals, will hold 100.00% equity interest in each of the six Initial Portfolio Assets, which collectively hold eight Projects. The Projects have an aggregate capacity of 1.54 GWp and are located across five states in India.

A brief description of the Projects has been set out below:

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)	Module Make	Inverter Make	Plant Availability as on March 31, 2023 (%)	Grid Availability as on March 31, 2023 (%)	O&M Contractor
ASPL Project	Gujarat	April 30, 2017	40.00	52.00	4.43	SECI	25	Canadian Solar, First Solar, Hanwha	GE Power Conversion (1,000 kW),	99.52%	100.00%	Mahindra Teqo
	Gujarat	July 2, 2017	25.00	32.50	4.43	SECI	25		SMA (1,000 kW)	99.57%	100.00%	
BREPL Project	Andhra Pradesh	January 5, 2016	10.00	12.50	5.99 ⁽¹⁾	APSPDC L	25	Trina	TMEIC (500 kW, 750 kW)	78.25%	98.88%	
ISTS Project	Rajasthan	October 29, 2021 ⁽²⁾	250.00	362.00	2.53	SECI	25	Canadian Solar, Jinko	Sineng (3,125 kW)	98.71%	99.96%	
Rewa Project	Madhya Pradesh	January 3, 2020	250.00	336.30	2.979 ⁽³⁾	MPPMCL and DMRC	25	Canadian Solar, Trina, Longi, Jolywood	TMEIC (2,550 kW), ABB (2,000 kW), Huawei Technologies (160 kW)	99.85%	100.00%	
Goyalri Project	Rajasthan	April 30, 2017	60.00	78.00	4.35	NTPC	25	Canadian Solar, First Solar	GE Power Conversion (1,000 kW), SMA (1,000 kW)	99.53%	99.57%	
SECI RJ Project	Rajasthan	October 14, 2021 ⁽⁴⁾	200.00	280.00	2.50	SECI	25	Longi, Jinko	Sungrow (3,125 kW)	99.91%	99.87%	

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)	Module Make	Inverter Make	Plant Availability as on March 31, 2023 (%)	Grid Availability as on March 31, 2023 (%)	O&M Contractor
MSUPL Project	Rajasthan	June 17, 2022 ⁽⁵⁾	250.00	335.00	2.54	SECI	25	Longi, Jinko	Sineng (3,125 kW)	99.96%	99.93%	
NSPL Project	Telangana	November 6, 2017	42.00	49.70	5.59	TSNPDC	25	Hanwha, Trina, First Solar	GE Power Conversion (1,000 kW), SMA (1,000 kW), Huawei Technologies (43 kW), Hitachi (1,000 kW)	99.61%	99.86%	

(1). ₹ 5.99 / KWh with yearly escalation of 3% till the 10th year

(2). COD is October 15, 2021, however, the amended scheduled commercial operations date is October 29, 2021

(3). +₹ 5 paisa yearly escalation from the 2nd to the 16th year

(4). COD is October 14, 2021, however the SCOD is December 1, 2021

(5). COD is June 17, 2022, however, the SCOD is June 29, 2022

Further, a description of certain KPIs in relation to the projects has been set out below:

Project Name	PLF			Revenue for Financial year ended March 31, 2023 (₹ Million)	EBITDA* for Financial year ended March 31, 2023 (₹ Million)	EBITDA Margin %
	For the financial year ended March 31, 2021	For the financial year ended March 31, 2022	For the financial year ended March 31, 2023			
ASPL Project (40 MW)	19.13%	18.02%	18.34%	587.16	539.82	92.00%
ASPL Project (25 MW)	19.05%	17.62%	17.87%			
BREPL Project	18.03%	17.67%	14.04%	107.65	101.21	94.00%

Project Name	PLF			Revenue for Financial year ended March 31, 2023 (₹ Million)	EBITDA* for Financial year ended March 31, 2023 (₹ Million)	EBITDA Margin %
	For the financial year ended March 31, 2021	For the financial year ended March 31, 2022	For the financial year ended March 31, 2023			
ISTS Project	NA	19.33%	19.67%	1,554.57	1,240.82	80.00%
Rewa Project	17.26%	16.91%	17.44%	1,774.32	1,592.05	90.00%
Goyalri Project	20.32%	17.77%	19.37%	573.04	492.43	86.00%
SECI RJ Project	NA	17.44%	20.13%	1,209.87	978.04	81.00%
MSUPL Project	NA	NA	19.00%	1,166.60	945.25	81.00%
NSPL Project	15.82%	16.64%	16.07%	369.98	326.66	88.00%

* EBITDA is calculated as Profit Before Tax and Exceptional Items + Depreciation and Amortisation + Finance Cost – Interest Income

Brief description of the Projects

ASPL Project

ASPL entered into two power purchase agreements dated August 4, 2016 (“**ASPL PPA-1**”) and August 29, 2016 (“**ASPL PPA-2**”) along with the ASPL PPA-1, referred to as the “**ASPL PPAs**”) with SECI, wherein SECI agreed to procure power from ASPL for 40 MW and 25 MW respectively from solar power generation facility located at Gujarat Solar Park at Charanka, Gujarat, (“**ASPL Project**”) at a pre-determined tariff of ₹ 4.43/kWh and approximately ₹ 498 million in viability gap funding, for the entire term of the ASPL PPAs i.e. 25 years from the commercial operations date of the projects.

For further details of the ASPL PPAs, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the ASPL Project:

Plant Location

Charanka, Gujarat



Commissioning

The commercial operations date (a) with respect to the 40 MW project is April 30, 2017 and (b) with respect to the 25 MW project is July 2, 2017.

Land

ASPL occupies the land on which the ASPL Project is situated on a leasehold basis. Further ASPL is liable to pay operations and maintenance charges towards operation and maintenance of common facilities of the solar park to Gujarat Power Corporation Limited at ₹ 0.25 million per MW per year plus applicable taxes for the first ten years subject to three percent escalation subsequently.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 2,179.48 million and the revenue from operations was ₹ 219.77 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

BREPL Project

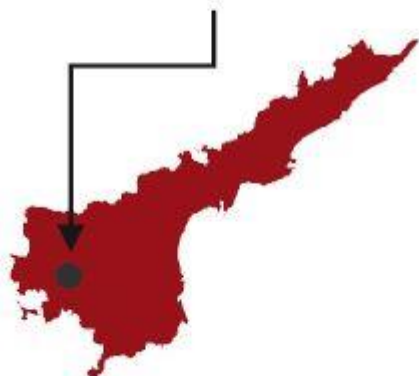
BREPL entered into a power purchase agreement dated December 4, 2014 with Southern Power Distribution Company of Andhra Pradesh Limited (“**APSPDCL**”), which was subsequently amended on March 27, 2015 (together the “**BREPL PPA**”), wherein **APSPDCL** agreed to procure power from BREPL for up to 10 MW from solar power generation facility located at Veerabommanahalli Village, Amarapur Mandal, Anantapur district of the State of Andhra Pradesh in India (“**BREPL Project**”) at a pre-determined tariff for specific periods (as mentioned under the BREPL PPA) for the entire term of the BREPL PPA, i.e. 25 years from the commercial operations date.

For further details of the BREPL PPA, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the BREPL Project:

Plant Location

Jamalabanda, Andhra Pradesh



Commissioning

The commercial operations date of the BREPL Project was January 5, 2016. However, Southern Power Distribution Company of Andhra Pradesh Limited extended the scheduled commissioning date of the BREPL Project to March 31, 2016, vide its letter dated February 12, 2016 issued to BREPL.

Land

BREPL owns the land on which the BREPL Project is situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 499.09 million and the revenue from operations was ₹ 57.33 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

MRPL Projects

Rewa Project

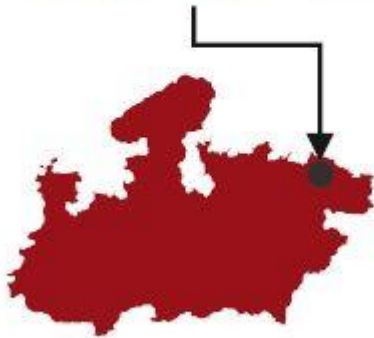
MRPL and RUMSL entered into two power purchase agreements, each dated April 17, 2017 with (i) M.P Power Management Company Limited (“MPPMCL”) (“**Rewa PPA-1**”) and (ii) Delhi Metro Rail Corporation (“DMRC”) (“**Rewa PPA-2**”, collectively with Rewa PPA-1 referred to as the “**Rewa PPAs**”), respectively, under which MRPL undertook to supply 250 MW of solar energy from solar power generation facility located at Rewa Ultra Mega Solar Park, Madhya Pradesh (“**Rewa Project**”) at an initial tariff of ₹2.979/kWh for a period of one year and subsequent escalation of five paise each year from the second year to the sixteenth years. The applicable tariff is valid for the entire term of the Rewa PPAs i.e. 25 years from the commercial operations date being.

For further details of the Rewa PPAs, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the Rewa Project:

Plant Location

Rewa, Madhya Pradesh



Commissioning

The commercial operations date of the Rewa Project is January 3, 2020.

Land

MRPL has acquired the right to possess and use the land on which the Rewa Project is situated. MRPL has entered into a land use permission agreements dated April 17, 2017 and September 24, 2019 with RUMSL and Commissioner, New and Renewable Energy, Bhopal, in relation to the Rewa Project, through which MRPL acquired the right to possess and use the land for development of the Rewa Project. The consideration for the land use permission in this case is paid by RUMSL. Basis the implementation support agreement dated April 17, 2017 entered into between MRPL and RUMSL, MRPL shall pay RUMSL charges for the activities and services performed by RUMSL at the Rewa Project site, including provision of land, RUMSL's administration charges and local area development charges.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 9,490.88 million and the revenue from operations was ₹ 665.98 million. For details in relation to the debt outstanding, please see the section entitled "*Financial Indebtedness and Deferred Payments*" on page 261.

ISTS Project

MRPL entered into a power purchase agreement dated December 28, 2018 (the "**ISTS PPA**") with SECI, wherein SECI agreed to procure power from MRPL for up to 250 MW from solar power generation facility located at Village Bhiv ji ka gaon, Tehsil – Baap, District, Jodhpur, Rajasthan (the "**ISTS Project**") at a pre-determined tariff of ₹ 2.53/kWh for the entire term of ISTS PPA, i.e. 25 years from the extended scheduled commissioning date.

For further details of the ISTS PPA, please see the section entitled "*Summary of Power Purchase Agreements*" on page 238.

The following map illustrates the location of the ISTS Project:

Plant Location



Commissioning

Commencement of supply of power up to the Contracted Capacity to SECI happened by the Commercial Operations Date i.e. August 17, 2021. The extended scheduled commissioning date of the ISTS Project is October 29, 2021.

Land

MRPL owns the land on which the ISTS Project is situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 11,022.76 million and the revenue from operations was ₹ 595.48 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

Goyalri Project

MSPL entered into six power purchase agreements dated September 2, 2016 (the “**Goyalri PPA**”) with National Thermal Power Corporation Limited (“**NTPC**”), wherein NTPC Vidyut Vyapar Nigam Limited on behalf of NTPC agreed, to procure power from MSPL for up to 10 MW under each power purchase agreement, totalling up to 60 MW from solar power generation facility located at, Kolayat Tehsil, Bikaner District, Rajasthan (the “**Goyalri Projects**”) at a pre-determined tariff of ₹ 4.35 per kWh for the entire term of Goyalri PPA i.e. 25 years from the commercial operation date. The Goyalri Projects are demerged from the MSPL Sponsor into Emergent Solren Private Limited pursuant to an order dated July 27, 2023 issued by the National Company Law Tribunal, Mumbai, which is effective from September 1, 2023.

For further details of the Goyalri PPA, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the Goyalri Projects:

Plant Location

Goyalri, Rajasthan



Commissioning

The commercial operations date of the Goyalri Projects is April 30, 2017.

Land

MSPL owns the land on which the Goyalri Projects are situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 2,027.42 million and the revenue from operations was ₹ 259.27 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

SECI RJ Project

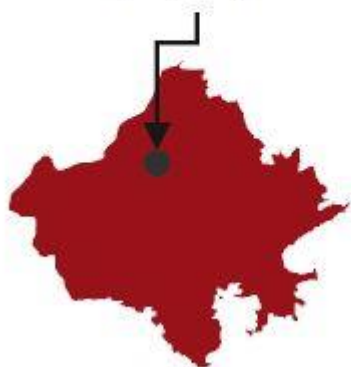
MSPL entered into a power purchase agreement dated January 15, 2020 (the “**SECI RJ PPA**”) with SECI, wherein SECI agreed to procure power from MSPL for up to 200 MW from solar power generation facility located at Bikaner, Rajasthan, India, (the “**SECI RJ Project**”) as an intermediary procurer at a pre-determined tariff of ₹2.50/kWh for the entire term of the SECI RJ PPA i.e. 25 years from the scheduled commissioning date. The SECI RJ Project is demerged from the MSPL Sponsor into Emergent Solren Private Limited pursuant to an order dated July 27, 2023 issued by the National Company Law Tribunal, Mumbai, which is effective from September 1, 2023. The PPA is effective from October 16, 2019.

For further details of the SECI RJ PPA, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the SECI RJ Project:

Plant Location

Kolayat, Rajasthan



Commissioning

The commercial operations date of the SECI RJ Project is October 14, 2021.

Land

MSPL owns the land on which the SECI RJ Project is situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 8,151.48 million and the revenue from operations was ₹ 535.84 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

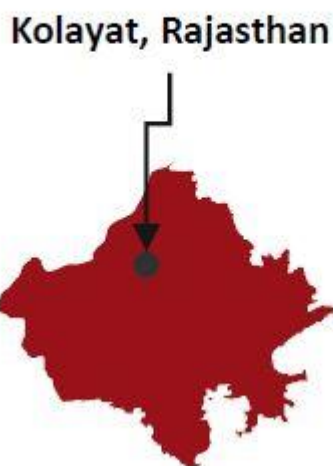
MSUPL Project

MSUPL entered into a power purchase agreement dated May 31, 2020 with Solar Energy Corporation of India (“**SECI**”) which was subsequently amended on December 10, 2021 (together the “**MSUPL PPA**”), wherein SECI agreed to procure power from MSUPL for up to 250 MW from solar power generation facility located at Village Seora and Daddu ka Gaon, Tehsil Kolayat, District Bikaner, Rajasthan, India, (“**MSUPL Project**”), at a pre-determined tariff of ₹ 2.54/kWh, for the entire term of the MSUPL PPA i.e. 25 years from the scheduled commissioning date.

For further details of the MSUPL PPA, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the MSUPL Project:

Plant Location



Commissioning

The SCOD of the MSUPL Project is June 29, 2022 and the tenure of 25 years of the relevant PPA starts from the commercial operations date of the MSUPL Project i.e. June 17, 2022.

Land

MSUPL owns the land on which the MSUPL Project is situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 12,861.47 million and the revenue from operations was ₹ 684.58 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

NSPL Project

NSPL entered into a power purchase agreement dated February 24, 2016 with Northern Power Distribution Company of Telangana Limited (“**TSNPDCL**”) which was subsequently amended on January 25, 2019 (together the “**NSPL PPA**”), wherein **TSNPDCL** agreed to procure power from NSPL for up to 42 MW AC from solar power generation facility located at Waddekothapally SS, Warangal District, Telangana (the “**NSPL Project**”) at a pre-determined tariff of ₹ 5.59 per kWh, for the entire term of the NSPL PPA i.e. 25 years from the commercial operations date.

For further details of the NSPL PPA, please see the section entitled “*Summary of Power Purchase Agreements*” on page 238.

The following map illustrates the location of the NSPL Project:

Plant Location

Wadekottapally, Telengana



Commissioning

As per the NSPL PPA, NSPL was originally required to achieve COD within 15 months from the effective date (i.e. February 24, 2016) of the NSPL PPA. Based on the first amendment dated January 25, 2019, the COD for the NSPL Project was declared to be November 6, 2017.

Land

NSPL owns the land on which the NSPL Project is situated.

Financing

As of August 31, 2023, the debt outstanding to lenders was ₹ 1,744.84 million and the revenue from operations was ₹ 166.52 million. For details in relation to the debt outstanding, please see the section entitled “*Financial Indebtedness and Deferred Payments*” on page 261.

Operations and Maintenance

The operation and maintenance of the Initial Portfolio Assets will be the responsibility of the Project Manager and the O&M contractor (being, Mahindra Teqo), pursuant to their obligations under the Project Implementation and Management Agreement and the O&M agreements, respectively. In accordance with the Project Management and Implementation Agreement and the relevant O&M agreements, the Project Manager shall sub-contract the O&M of the Projects to Mahindra Teqo. Further, Mahindra Teqo will be provided a right-of-first-offer over the O&M services for any future projects to be acquired by the Trust, subject to termination with cause or pursuant to expiration, of the existing O&M agreement undertaken by the acquired assets. For further details in relation the Project Management Agreement, please refer to the section entitled “*Parties to the Trust – Key terms of the Project Implementation and Management Agreement*” on page 128.

The Initial Portfolio Assets have entered into O&M agreements with Mahindra Teqo for the provision of the following services, amongst others, operating, monitoring, alerting, cleaning, preventive maintenance, corrective maintenance, reporting, management of warranties and spare parts (i) operation of the Projects through the O&M period; (ii) proper operations of the Projects including maintenance of all major equipment; (iii) management of the functioning and output of the Projects in accordance with the grid availability, grid outages and load shedding by the central / state transmission utility or any other government authority; (iv) submission of required information and reporting to the representative of the Initial Portfolio Assets as required for regulatory conformance with the PPAs, relevant district authority, central transmission utilities, state transmission utilities and state load dispatch center grid operations; (v) carrying out joint meter readings in respect of the Projects in accordance with applicable law; (vi) monitoring and reporting the performance of the Projects and ensuring proper functioning of SCADA (supervisory control and data acquisition) and (vii) undertaking corrective maintenance to rectify all defects. The fees for such services are set out in the respective O&M agreements. Pursuant to consummation of the Formation Transaction, the O&M contractor shall be supervised by the Project Manager.

IT Infrastructure

The primary business functions in the information technology infrastructure will include operations and maintenance (power generation, asset management and contract monitoring system), procurement and contracts (supply chain management, land and O&M contracts), environment and safety compliance and liaisons with off-takers. The support functions that may be performed by our IT infrastructure will include, amongst others, accounting, billing and collections, human resource operations, learning and development, monitoring for policy compliances, intellectual property protection and document storage management.

Environment, health and safety

The Initial Portfolio Assets are required to meet certain health, safety and environmental specifications and standards in the operation and maintenance of the Projects and are subject to a number of laws and regulations relating to health, safety and environmental protection. The Initial Portfolio Assets are also required to adhere to various labour and workplace related laws and regulations in India. The Initial Portfolio Assets have policies and procedures in place to ensure that the operation and maintenance of the Projects conform to existing health, safety and environmental regulatory standards. Approximately 96% of our Initial Portfolio Assets, in terms of DC capacity are registered under the verified carbon credits.

We are committed to ensuring that our business activities are conducted safely, the health of our employees, contractors and the public are protected and the environmental impact resulting from our operations and maintenance are minimized, energy resources are utilized in a responsible and efficient manner to reduce emissions and statutory and regulatory requirements concerning health, safety and environment are complied with.

We have also adopted certain standards for health, safety and environmental and social sustainability and put in place policies and system in order to comply with such standards, including adequate safeguards for operational and personal safety of our employees and contractors, adverse impact on environment and risks to the community that arise due to our operations, waste disposal measures and compliance with statutory requirements on health, safety and environment. We propose to adopt an environmental, social and governance policy (“**ESG Policy**”) which will provide a framework for the Trust and the InvIT Assets to conduct their business and operations in compliance with all environmental, social and labour laws. The Trust will ensure that each of the InvIT Assets will materially comply with the ESG requirements.

Seasonality

As per the CRISIL Report, the operational performance of any renewable energy project largely gets influenced by natural conditions leading to significant variations in performance across seasons and years. Climate change or other factors may also lead to permanent change in project output. As per the CRISIL Report, various seasonal factors and natural calamities also affect the power generation from the renewable energy projects. For instance, the shorter days in winter provide reduced sunlight hours resulting in lower irradiation, adversely affecting the output of solar power projects. Additionally, the operational performance of a solar energy project also depends on the topography of the land on which the project is situated. During the summer months India experiences southwest monsoon winds and northeast monsoons during the winters. The Indian summer monsoon typically lasts from June-September in large areas of western and central India, whereas certain regions in South India gets rain during winter months due to northeast monsoon. Consequently, the solar projects located in Southern part of India may get affected during October-December. Additionally, unseasonal rainfall also impacts solar generation adversely. For further details on the risk associated with seasonality, see ‘*Risk Factors – Our business will be subject to environmental conditions, seasonal fluctuations and natural calamities that could have a material adverse effect on our business, financial conditions, and results of operations.*’ on page 61.

Anti-Corruption and Anti Bribery

We have a zero-tolerance approach when it comes to bribery and corruption. All major contracts with contractors or vendors are strengthened with Anti-Corruption and Anti-Bribery Policies (as may be amended from time to time).

Competition

As per the CRISIL Report, the renewable energy firms, financial investors and private equity funds, pose as competitors to InvITs in the renewable energy sector when it comes to securing economically appealing renewable energy assets. Factors such as service quality, technological prowess, performance, health and safety of personnel, reputation and experience play an important role in a client’s decision making, but the price remains a pivotal factor in these acquisitions.

Insurance

The Initial Portfolio Assets maintain project-specific insurance coverage with various insurers in India. Some of the major risks covered in their all-risk policies for their assets, include, the risk of fire and natural calamities, such as earthquakes, landslides and floods. Further, some of the project-specific insurance policies also cover the Initial Portfolio Assets against burglary, loss or damage to equipment or machinery, loss due, riots, gradually developing flaws, pecuniary loss in respect of monies arising from fraud, forgery, theft or dishonesty, etc. The Investment Manager and the Trustee confirm that such insurances have been effected and maintained in accordance with the PPAs and are valid as on date. Further, the Investment Manager and the Trustee confirm that the amount of insurance that we presently maintain represents an appropriate level of coverage required to insure the Initial Portfolio Assets' business and operations and all the infrastructure assets held by the Initial Portfolio Assets, and is in accordance with industry standards in India and will perform regular assessment on the adequacy of its insurance coverage on a regular basis.

Employees

As on March 31, 2023, the Initial Portfolio Assets have no permanent employees. Further, employees of the Investment Manager and Project Manager will be engaged in managing the Trust. For further details, please see section entitled "*Parties to the Trust*" on page 102.

Property

The Initial Portfolio Assets have acquired/leased certain properties for their operations. For further details, please see section entitled "*Our Business – Brief Description of the Projects*" on page 228.

The Investment Manager's registered office is located at Mahindra Towers, Pandurang Budhkar Marg, Near Doodarshan Kendra, Worli, Mumbai – 400018, Maharashtra, India.

Intellectual Property

The application for the trademark for "Sustainable Energy Infra Trust" and the logo is under consideration by our management. For further details, please see section entitled "*Risk Factors – The Trust does not own the trademark "Sustainable Energy Infra Trust" and the associated logo to be used by it for its business and its ability to use the trademark may be impaired*" on page 78.

SUMMARY OF POWER PURCHASE AGREEMENTS

Set out below are summaries of the power purchase agreements entered into by the Initial Portfolio Assets in relation to their respective businesses. The descriptions and summaries of the agreements below are indicative and are not and nor do they purport to be complete descriptions or summaries of all terms of such agreements. Certain terms used in this section have the meaning as assigned to such terms in the respective power purchase agreements. Copies of these power purchase agreements have been made available for inspection at the office of the Trust at Mahindra Towers, Pandurang Budhkar Marg, Near Doordarshan Kendra, Worli, Mumbai 400018. For further details, please see the section entitled 'Material Contracts and Documents for Inspection' on page 370.

- **Power Purchase Agreements dated August 4, 2016 and August 29, 2016 between Astra Solren Private Limited (“ASPL”) and Solar Energy Corporation of India Limited (“SECI”)**

Power purchase agreements, dated August 4, 2016 (“ASPL PPA-1”) and August 29, 2016 (“ASPL PPA-2”) have been entered into between ASPL and SECI, wherein SECI agreed to procure power from ASPL for 40 MW and 25 MW respectively (together “Contracted Capacity”) from solar power generation facility located at Gujarat Solar Park at Charanka, Gujarat, (“ASPL Project”) at pre-determined tariff of ₹ 4.43/kWh for the entire term of the agreements (ASPL PPA-1 and ASPL PPA-2, collectively referred to as the “ASPL PPAs”).

Commissioning/ Commercial Operations Date: Commencement of supply of power up to the Contracted Capacity to SECI happened within the Commercial Operations Date (“COD”) i.e. on April 30, 2017 and July 2, 2017.

Scheduled Commissioning Date (“SCOD”): In relation to ASPL PPAs, the SCOD under the ASPL PPA-1 is August 4, 2017 and under ASPL PPA-2 is August 29, 2017.

Term of Agreement: The ASPL PPA-1 came into effect from August 4, 2016 and the ASPL PPA-2 came into effect from August 29, 2016. The term of the ASPL PPAs shall be valid for a term of 25 years from the COD of the Project. It may be extended for a further period, at least 180 days prior to the expiry date.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the ASPL PPAs, ASPL undertakes to sell to SECI and SECI undertakes to pay tariff for the 65 MW supplied at the delivery point to ASPL.

Dispatch and Scheduling: ASPL is required to and shall be required to schedule its power as per the applicable regulations and requirements of Central Electricity Regulation Commission of India or any other competent agency and the same being recognised by the SLDC or any other competent agency or authority as per the applicable law. ASPL shall be responsible for any deviation from scheduling and resultant liabilities for deviation.

Applicable Tariff: SECI is required to pay a tariff of ₹4.43/kWh fixed for the entire term of ASPL PPAs.

Payment Security: Subject to opening and maintenance of letter of credit by the buying utilities in favour of SECI, SECI shall extend a monthly, unconditional, revolving and irrevocable letter of credit, operative from date prior to the due date of its first monthly bill. The letter of credit shall have a term of twelve (12) months and shall be renewed annually, for an amount equal to estimated average monthly billing, for the first contract year and equal to average of monthly billing of the previous contract year.

Metering: Installation of meters, meter testing, meter calibration and meter reading shall follow the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and grid code, as revised from time to time. ASPL is required to bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at its side of the delivery point. Reporting of metered data and parameters for the same are also specified in the ASPL PPAs.

Change in Control: ASPL is required to maintain its controlling shareholding (i.e. not less than 51% of the voting rights and paid-up share capital) prevalent at the time of signing of ASPL PPAs in the company/consortium developing the project up to a period of 1 year after COD. Transfer of controlling shareholding within the same group companies will be allowed with permission of SECI after COD subject to the condition that the management control remains within the same group companies.

Events of Default and Termination:

Events of default by ASPL, *inter alia*, include:

- (i). failure to commence supply of power up to the Contracted Capacity in accordance with the ASPL PPAs; or
- (ii). ASPL assigns, mortgages, charges any assets or rights relating to the ASPL PPAs or purports to do so, in contravention of the terms of the ASPL PPAs;

- (iii). ASPL transfers or novates its rights and obligations under the ASPL PPAs in contravention of the terms of the ASPL PPAs, except where such transfer is: (i) in pursuance of a law and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under the ASPL PPAs ; or (ii) to a transferee who assumes obligations under the ASPL PPAs and the ASPL PPAs remains effective with respect to such a transferee;
- (iv). ASPL is: (i) subject to bankruptcy, insolvency or winding proceedings which are not contested for a period of 30 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official liquidator is appointed. Such dissolution or liquidation will not constitute an event of default if it is for the purposes of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to that of ASPL and assumes all its obligations under the ASPL PPAs;
- (v). ASPL repudiates the ASPL PPAs or fails to rectify such breach within 30 days of a notice from SECI in this regard;
- (vi). the controlling shareholding of ASPL is modified prior to the expiry of one year after COD ; and
- (vii). The occurrence of any other event which is specified in the ASPL PPAs to be material default or breach of ASPL.

Consequences of ASPL event of default

- (i). On occurrence of an ASPL event of default, SECI may deliver to ASPL and its lenders a notice specifying its intention to terminate the ASPL PPAs and the circumstances which gave rise to the issue of such notice. Within a period of 7 days following the expiry of the consultation period of 60 days (or such longer period as may be agreed), SECI may terminate the ASPL PPAs after giving a written termination notice of 30 days. Further, the lenders in concurrence with SECI and SPIA, may exercise their rights under the financing agreements, to seek substitution of ASPL by a selectee for the residual period of the ASPL PPAs, for the purpose of securing the payments of the total debt amount from ASPL and performing the obligations of ASPL.
- (ii). Any substitution under the ASPL PPAs can only be made with the condition that the selectee meets the eligibility requirements and accepts the terms of VGF Securitization Agreement.
- (iii). In the event of change in shareholding/substitution of promoters triggered by the financial institutions leading to signing of fresh PPA with a new entity, an amount of ₹ 10,00,000 per project per transaction is required to be deposited by the developer to SECI.
- (iv). If the lending institution exercises the right to step in or take over the relevant ASPL Project, SECI will also have right to step in along with the lending institution to reclaim.

Termination due to SECI event of default

Events of default by SECI, inter alia, include:

- (i). SECI fails to make a payment within 90 days of the due date and amounts due cannot be recovered from the letter of credit;
- (ii). SECI repudiates the ASPL PPAs or fails to rectify such breach within 30 days of a notice from ASPL in this regard;
- (iii). SECI is in material breach of its obligations and such breach is not cured within 30 days of a notice from ASPL in this regard;
- (iv). SECI is: (i) subject to bankruptcy, insolvency or winding up proceedings which are not contested for a period of 30 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official liquidator is appointed. Dissolution or liquidation of SECI will not constitute an event of default if such dissolution or liquidation is for the purposes of a merger, consolidation or reorganization where the resulting company retains creditworthiness similar to that of SECI and assumes all obligations of SECI under the ASPL PPAs;
- (v). the state power distribution company(ies) (“Buying Utility”) is subject to any of the above defaults and SECI fails to replace such Buying Utility; and
- (vi). the occurrence of any other event which is specified in the ASPL PPAs to be material default or breach of SECI.

Consequences of SECI event of default

In the event of a SECI Event of Default, ASPL will have the right to deliver to SECI, a preliminary default notice specifying the circumstances which gave rise to the issue of such notice. If a period of 7 days passes following the expiry of the consultation period of 60 days (or such longer period as may be agreed), ASPL may sell the Contracted Capacity to any third party. At the end of 3 months from the period mentioned above, the relevant ASPL PPAs may be terminated by ASPL.

Indemnity: ASPL shall indemnify, defend and hold SECI harmless against:

- (i) any and all third party claims against SECI for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by ASPL of any of its obligations under the relevant ASPL PPAs; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by SECI from third party claims arising by reason of a breach by ASPL of any of its obligations under the relevant ASPL PPAs, provided that ASPL shall not be required to indemnify SECI for such breaches by ASPL, for which specific remedies have been provided for under the relevant ASPL PPAs.

SECI shall cause the Buying Utility to indemnify, defend and hold ASPL harmless against:

- (i) any and all third party claims against ASPL, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the Buying Utility of any of their obligations under the relevant ASPL PPAs; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by ASPL from third party claims arising by reason of a breach by Buying Utility of any of its obligations in the respective power selling agreement.

Assignment and Charges: SECI shall permit assignment of any of ASPL's rights and obligations under the ASPL PPAs in favour of the lenders if required under the financing agreements. ASPL PPAs cannot be assigned by any party other than by mutual consent, in writing, between SECI and ASPL. In the event of change in shareholding triggered by a financial institutions leading to signing of fresh power purchase agreement with new entity, an amount of ₹1 million per transaction as facilitation fee (non-refundable) shall be deposited by ASPL to SECI.

- **Power Purchase Agreement dated December 4, 2014 between (i) Brightsolar Renewable Energy Private Limited (“BREPL”) and Southern Power Distribution Company of Andhra Pradesh Limited (“APSPDCL”).**

Power purchase agreement, dated December 4, 2014 has been entered into between BREPL and APSPDCL which was subsequently amended on March 27, 2015, wherein APSPDCL agreed to procure power from BREPL for up to 10 MW from solar power generation facility located at Jammalabanda Village, Anantapur district of the State of Andhra Pradesh in India (“BREPL Project”) at pre-determined tariff, as highlighted below, for the entire term of the agreement (“BREPL PPA”).

Commissioning/ Commercial Operations Date (“COD”): Commencement of supply of power up to the Contracted Capacity to APSPDCL happened on January 5, 2016.

Scheduled Commissioning Date (“SCOD”): In relation to BREPL PPA, APSPDCL extended the scheduled commissioning date of the project to March 31, 2016, vide its letter dated February 12, 2016 issued to BREPL.

Term of Agreement: The BREPL PPA is effective from December 4, 2014. The term of the BREPL PPA expires 25 years from the COD of the BREPL Project. It may be renewed for a further period, on such terms and conditions as may be mutually agreed upon by the parties, 90 days prior to the expiry date, subject to consent of the Andhra Pradesh Electricity Regulatory Commission (“APEREC”).

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the BREPL PPA, BREPL undertook to sell to APSPDCL and APSPDCL undertook to pay tariff for the 10 MW supplied at the delivery point to MSPL.

Applicable Tariff: APSPDCL is required to pay tariff in the following manner:

- (i). First year tariff: ₹ 5.99 per kWh (“T1”)
- (ii). Second year tariff to tenth year tariff (“Ti”): $(T_{(i-1)}) \times (1 + 3\%)$, where, $2 \leq I \leq 10$,
- (iii). Eleventh year tariff to twenty-fifth year tariff: Tariff in the 11th year will be the same as the tariff in the 10th year and shall continue to be the same till the 25th year of the BREPL PPA.

Payment Security: Under the terms of the BREPL PPA, APSPDCL is required to establish an irrevocable, revolving letter of credit in favour of BREPL, 30 days prior to the scheduled COD, for 1 month's billing value.

Metering: BREPL is required to install meters and make adequate arrangement, at its own cost to connect the project switchyard with interconnection facilities to enable delivery of electricity at the delivery point, as per the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, as revised from time to time. Reporting of metered data and parameters for the same are also specified in the BREPL PPA.

Change in Control: After execution of the BREPL PPA, the percentage of controlling shareholding of MSPL in BREPL is required to be maintained for a period of 1 year after the COD. “Controlling Shareholding”, under the BREPL PPA means not less than 51% of the voting rights and paid-up share capital including fully and mandatorily convertible preference shares or debentures, as the case may be, in the project company i.e. BREPL. After 1 year period, any change can be undertaken after intimation to APSPDCL.

Events of Default and Termination:

Events of default by BREPL, *inter alia*, include:

- (i). BREPL assigns, mortgages or charges or purports to assign, mortgage or charge any of its assets relating to the BREPL Project in contravention of the provisions of BREPL PPA or purports to do so;
- (ii). BREPL transfers or novates any of its rights or obligations under the BREPL PPA, in a manner in contravention of the BREPL PPA, except where such transfer is in pursuance of a law and does not affect the ability of the transferee to perform its obligations, including its financial capability;
- (iii). BREPL becomes subject to bankruptcy or insolvency or winding up and such proceedings remain uncontested for a period of 30 days;
- (iv). If a winding up order has been passed against BREPL or BREPL is subject to liquidation or dissolution;
- (v). If BREPL repudiates the BREPL PPA and such breach is not rectified within 30 days of receipt of the first notice in this regard given by APSPDCL;
- (vi). BREPL delays the commissioning of the BREPL Project by more than 6 months from the SCOD;

Consequences of BREPL event of default

- (i). On occurrence and continuation of any BREPL event of default, APSPDCL will have a right to deliver to BREPL, with a copy to the representatives of the lenders to BREPL, a notice stating its intention to terminate the BREPL PPA along with details of circumstances giving rise to the issue of such notice. After a period of 7 days after the expiry of the conciliation period of 60 days, if the event of default is not remedied, APSPDCL may terminate the BREPL PPA by providing a 30 days’ notice to BREPL, and the same shall be communicated to the lenders concurrently.
- (ii). The relevant lenders may exercise their rights, if any, under the financing arrangements, to seek substitution of BREPL by a selectee provided that any such selectee meets the eligibility requirements.

Termination due to APSPDCL event of default

Events of default by APSPDCL, *inter alia*, include:

- (i). Failure of APSPDCL to pay BREPL for a period of 90 days from the due date of payment under the BREPL PPA and is BREPL is unable to recover the amount outstanding to BREPL through letter of credit;
- (ii). If APSPDCL repudiates the BREPL PPA and does not rectify such a breach within 30 days from the date of notice issued by BREPL in this regard;
- (iii). If APSPDCL is in material breach of the BREPL PPA (except if such a breach is in turn attributable to BREPL) and such material breach is not cured within 30 days from the date of notice issued by BREPL in this regard; and
- (iv). If APSPDCL becomes voluntarily or involuntarily subject to any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of thirty (30) days or an order is passed against APSPDCL
- (v). If APSPDCL goes into liquidation or dissolution(except in case of a merger, demerger or amalgamation and the resulting entity has the financial standing to perform its obligations under BREPL PPA).

Consequences of APSPDCL event of default

In the event of occurrence and continuation of any APSPDCL event of default, a default notice can be issued by BREPL. After period of 7 days following the expiry of the conciliation period of 60 days, if the default still subsists, the BREPL will be free

to sell the Contracted Capacity to any third party of BREPL's choice. At the end of 3 months period after 7 days of the expiry of the conciliation period, the BREPL PPA may be terminated by BREPL.

Assignment: Neither party of the BREPL PPA can assign the agreement, in part or in full, to any third party without the prior written consent of the other party.

- **Power Purchase Agreement dated December 28, 2018 between Megasolis Renewables Private Limited ("MRPL") (formerly known as, Mahindra Renewables Private Limited) and Solar Energy Corporation of India Limited ("SECI")**

Power purchase agreement, dated December 28, 2018 has been entered into between MRPL and SECI (with effective date of October 25, 2018) wherein SECI agreed to procure power from MRPL for up to 250 MW from solar power generation facility located at Village Bhiv ji ka gaon, Tehsil – Baap, District, Jodhpur, Rajasthan ("ISTS Project") at pre-determined tariff of ₹ 2.53/kWh for the entire term of the agreement ("ISTS PPA").

Commissioning/ Commercial Operations Date ("COD"): Commencement of supply of power up to the Contracted Capacity to SECI happened by the Commercial Operations Date i.e. August 17, 2021.

Scheduled Commissioning Date ("SCOD"): In relation to ISTS PPA, the scheduled commissioning date of the ISTS Project was extended to October 29, 2021.

Term of Agreement: The ISTS PPA came into effect from October 25, 2018 and is valid for a term of 25 years from the SCOD of the ISTS Project. It may be extended for a further period, on mutually agreed terms at least 180 days prior to the expiry date.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the ISTS PPA, ISTS undertakes to sell to SECI and SECI undertakes to pay tariff for the 250 MW supplied at the delivery point from ISTS Project.

Applicable Tariff: SECI is required to pay a tariff of ₹2.53/kWh fixed for the entire term of ISTS PPA.

Payment Security: MRPL shall issue to SECI a signed monthly bill or supplementary bill for the immediately preceding month including all charges for the energy supplied for relevant month. Subject to funds being made available by Ministry of New and Renewable Energy, SECI shall set up a monthly, unconditional, revolving and irrevocable letter of credit, having a term of twelve months in order to ensure timely payment to MRPL. This fund will have a corpus to cover three months payment.

Dispatch and Scheduling: MRPL is required to and shall be required to schedule its power as per the applicable regulations and requirements of Central Electricity Regulation Commission of India or any other competent agency and the same being recognised by the SLDC or any other competent agency or authority as per the applicable law. MRPL shall be responsible for any deviation from scheduling and resultant liabilities for deviation.

Metering: Installation of meters, meter testing, meter calibration and meter reading shall follow the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and grid code, as revised from time to time. Further, MRPL shall bear all costs pertaining to installation, testing, calibration, maintenance renewal and repair of meters at MRPL's side. Reporting of metered data and parameters for the same are also specified in the MRPL PPA

Insurances: MRPL shall take an industrial all risk insurance policy, at its own cost and expense to keep the ISTS Project in good condition throughout the term of the ISTS PPA. The proceeds of an insurance claim are to be applied in accordance with the financing agreements. However, if an event of force majeure results in ISTS Project not being economically or technically viable, SECI will have a claim on the insurance payments made on a total loss basis to the extent of the outstanding dues owed by SECI to the any of the buying utility under the relevant power sale agreement.

Change in Control: MRPL is required to maintain its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid up share capital) prevalent at the time of signing the ISTS PPA up to a period of 1 year after COD of ISTS Project. Transfer of controlling shareholding is permitted within the same group companies with prior permission from SECI after achieving COD subject to the condition that the management control remains within the same group companies.

Events of Default and Termination:

Events of default by MRPL, *inter alia*, include:

- (i). failure to commence supply of power up to the Contracted Capacity in accordance with the ISTS PPA and non-continuance of supply of power throughout the term of the ISTS PPA; or
- (ii). MRPL assigns, mortgages, charges any assets or rights relating to the ISTS PPA or purports to do so, other than in accordance with the terms of the ISTS PPA;

- (iii). MRPL transfers or novates its rights and obligations under the MRPL PPA other than in accordance with the terms of the ISTS PPA, except where such transfer is in pursuance of a law and such transferee has the financial capability to perform its obligations under ISTS PPA;
- (iv). MRPL repudiates the ISTS PPA or fails to rectify such breach within 30 days of a notice from SECI in this regard;
- (v). the controlling shareholding of MRPL is modified prior to the expiry of the lock-in period; and
- (vi). MRPL becomes subject to bankruptcy or insolvency or winding up and such proceedings remain uncontested for a period of 30 days.

Consequences of MRPL event of default

- (i). On occurrence of an MRPL event of default, SECI may deliver to MRPL and its lenders a notice specifying its intention to terminate the ISTS PPA and the circumstances which gave rise to the issue of such notice. Following the issue of such notice, a consultation period of 90 days (or such longer period as may be agreed), SECI may terminate the MRPL PPA after giving a written termination notice of 60 days. Further, the lenders in concurrence with SECI, may exercise their rights under the financing agreements, to seek substitution of MRPL with a selectee which meets the eligibility criteria.
- (ii). If the lenders are not able to exercise their right to substitute MRPL within the stipulated period, SECI may terminate the ISTS PPA and the buying utility may acquire the project assets for 90% of the debt due or such lower amount as may be mutually agreed. If the buying entity does not acquire the project assets, the lenders have the right to exercise their mortgage and liquidate the project assets.

Termination due to SECI event of default

Events of default by SECI, inter alia, include:

- (i). SECI fails to make a payment within 90 days of the due date and amounts due cannot be recovered from the letter of credit;
- (ii). SECI repudiates the ISTS PPA or fails to rectify such breach within 60 days of a notice from MRPL in this regard;
- (iii). SECI is in material breach of its obligations and such breach is not cured within 60 days of a notice from MRPL in this regard;
- (iv). SECI becomes subject to bankruptcy or insolvency or winding up and such proceedings remain uncontested for a period of 60 days;
- (v). the buying utility is subject to any of the above defaults and SECI fails to replace such buying utility; and
- (vi). the occurrence of any other event which is specified in the ISTS PPA to be material default or breach of SECI.

Consequences of SECI event of default

- (i). In the event of a SECI Event of Default, MRPL will have the right to deliver to SECI, a preliminary default notice specifying the circumstances which gave rise to the issue of such notice. Following the issue of such notice, a consultation period of 90 days or such longer period as the parties may agree, shall apply and it will be the responsibility of the parties to discuss as to what steps are to be taken with a view to mitigate the consequences of the relevant event of default. After the expiry of such consultation period and an additional period of 210 days thereafter, SECI, may subject to the prior consent of MRPL, novate its part of the ISTS PPA to any third party. If such novation is not acceptable to MRPL or no offer of novation has been made by SECI within the stipulated period, MRPL may terminate the ISTS PPA and at its discretion, require the buying utility to: (i) takeover the assets of the ISTS Project by making a payment of the termination compensation equivalent to the amount of the debt due and 150% of the adjusted equity; or (ii) pay to MRPL, damages equivalent to 6 months or balance ISTS PPA period, whichever is less, of charges for its Contracted Capacity, with the ISTS Project being retained by MRPL.
- (ii). At the end of 3 months from the period set out above, the ISTS PPA may be terminated by MRPL. In the event of termination of the ISTS PPA, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, will be borne by the buying entity.
- (iii). The obligation to pay termination payments is on the buying utility and not SECI.

- (iv). Under the ISTS PSA, SECI is entitled to regulate power supply with notice of 15 days if there is default in payment beyond the 15th day after due date. Such regulation of power shall be on a pro rata basis i.e. in the ratio of the amount due and unpaid to total amount due against the relevant monthly bill. SECI shall request the concerned SLDC/RLDC to divert such power to third party. A sale of power to third party will not absolve the Buying Utilities from payment obligations under the ISTS PPA or any outstanding payment liability under the relevant power sale agreement.

Indemnity: MRPL shall indemnify, defend and hold SECI harmless against:

- (i) any and all third party claims against SECI for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by MRPL of any of its obligations under the ISTS PPA; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by SECI from third party claims arising by reason of a breach by MRPL of any of its obligations under the ISTS PPA.

SECI shall cause the relevant buying utility to indemnify, defend and hold MRPL harmless against:

- (i) Any claims against MRPL for any third-party losses arising out of breach of the relevant buying utilities of their obligations under the ISTS PPA; and
- (ii) Any losses or damages suffered by MRPL from third party claims arising by reason of a breach by the relevant buying utilities of their obligations.

Assignment: According to the ISTS PPA the agreement cannot be assigned to anyone except the project lenders or the lenders' representatives as security for their debt under the financing document, other than by mutual consent between the parties, evidenced in writing. However, in the event that a change in shareholding/substitution of promoters triggered by the financial institutions leads to signing of a fresh power purchase agreement with a new entity, a non-refundable amount of ₹ 1 million per transaction shall be payable by MRPL to SECI.

- **Power Purchase Agreements dated April 17, 2017 between (i) Megasolis Renewables Private Limited ("MRPL") (formerly known as, Mahindra Renewables Private Limited), M.P Power Management Company Limited ("MPPMCL") and Rewa Ultra Mega Solar Limited ("RUMSL") ("Rewa PPA-1"); and (ii) RUMSL and Delhi Metro Rail Corporation ("DMRC") ("Rewa PPA-2", collectively with Rewa PPA-1 referred to as the "Rewa PPAs")**

Under the Rewa PPAs, MRPL undertook to procure 250 MW of solar energy, under Rewa PPA-1 and Rewa PPA-2, respectively, from procured unit of solar power generation facility located at Rewa Ultra Mega Solar Park, Gurh Tehsil District, Madhya Pradesh ("**Rewa Solar Project**") at pre-determined tariff of ₹2.979/kWh.

Commissioning/ Commercial Operations Date ("COD"): Commencement of supply of power up to the Contracted Capacity happened by the COD i.e. January 3, 2020.

Scheduled Commissioning Date ("SCOD"): In relation to Rewa PPAs, the scheduled commissioning date of the project was extended to February 6, 2020.

Term of Agreement: The Rewa PPAs came into effect from April 17, 2017 and is valid for a term of 25 years from the SCOD of the Project. The Rewa PPAs do not have any extension terms.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the Rewa PPAs, DMRC and MPPMCL (collectively, the "**Procurers**") shall purchase and pay for all power generated from Rewa Solar Project, in accordance with the co-ordination agreement. MRPL undertakes to deliver at least 115 million kWh to DMRC and 357 million kWh to MPPMCL respectively, at the delivery point in each contract year, as per the terms of Rewa PPAs.

Applicable Tariff: An initial tariff of ₹ 2.979/kWh is payable to MRPL with effect from the commissioning of the initial part capacity (being the first part commissioned in the Rewa Project with a minimum installed capacity of 5 (five) MW) until the first contract year. Thereafter, the initial tariff will be escalated by 5mill (five) paise at the start of each contract year, for a total of 15 (fifteen) contract years. The maximum escalation during the term of the Rewa PPAs will be of 75 (seventy five) paise. The applicable tariff is valid until the expiry date (being 25 (twenty five) years from the SCOD, unless terminated earlier in accordance with the terms of Rewa PPAs).

Payment Mechanism: MRPL shall issue monthly/ supplementary bills to the Procurers for the immediately preceding month based on the energy details (obtained from regional energy accounts). The amounts due, unless disputed, shall be paid within 30 (thirty) days after receipt of the monthly bill and within 60 days from the date of receipt of the supplementary bill.

Change in Control: MRPL is required to ensure that the shareholders of MRPL (as on the date of the bid submission) legally and beneficially hold not less than 51% (fifty one per cent) of the total capital and voting rights of MRPL until the expiry of 1

year from the COD. Upon the expiry of a period of 1 (one) year from COD, the shareholders of MRPL are entitled to dilute their capital and voting rights in MRPL, without seeking any prior consent from the Procurers or RUMSL.

Events of Default and Termination:

Occurrence of the following events when MRPL has failed to remedy the breach shall constitute events of default by MRPL:

- (i). failure to meet the minimum supply obligation for three consecutive contract years or in any five contract years;
- (ii). Any representation or warranty given by MRPL being false or misleading;
- (iii). Cessation of any obligations by MRPL for a continuous period of 15 days, other than as a result of a force majeure event;
- (iv). MRPL assigns, mortgages, charges any assets or rights relating to the Rewa PPAs or purports to do so, in contravention of the provisions of Rewa PPAs;
- (v). MRPL transfers or novates its rights and obligations under the Rewa PPAs in contravention of the provisions of Rewa PPAs, except where such transfer is: (i) in pursuance of applicable laws;
- (vi). MRPL enters into liquidation or similar state or an order is made for compulsory winding up or dissolution of MRPL or MRPL is unable to pay its debts or any restructuring, re-organisation, amalgamation, arrangement or compromise affecting its ability to fulfil its obligations under the Rewa PPAs;
- (vii). Any breach by MRPL of its obligations under the Rewa PPAs which has a material adverse effect
- (viii). Failure to obtain and maintain valid performance bank guarantee, additional performance bank guarantee and deemed COD performance bank guarantee in terms of Rewa PPAs; and
- (ix). Failure to comply with E&S standards as set out in the implementation support agreement by MRPL.

Consequences of MRPL event of default

Upon occurrence of MRPL event of default, the Procurers are entitled to terminate the Rewa PPAs in the following manner:

- (i). the Procurers shall issue a preliminary notice to MRPL with a copy to RUMSL, providing 60 days from the date of delivery to cure the breach, as per the event of default. If MRPL fails to cure such breach within the stipulated time period, the Procurers will be entitled to terminate the Rewa PPAs, and to invoke the performance bank guarantee, after issuing a notice of termination to MRPL.
- (ii). The Procurers shall inform the lenders of MRPL about their intention to issue notice of termination to MRPL and grant 30 days to the lenders of MRPL for making representations to exercise their right to substitute or step-in right in accordance with the substitution agreement.

Termination for Procurer event of default

Occurrence of the following events when Procurers have failed to remedy the breach shall constitute event of default by the Procurers:

- (i). Failure to make tariff payments as per the terms and conditions of the Rewa PPAs;
- (ii). Breach of obligations under the terms and conditions of the Rewa PPAs, which have material adverse effect;
- (iii). The Procurer enters into liquidation or similar state or an order is made for compulsory winding up or dissolution of the Procurer or the Procurer is unable to pay its debts or any restructuring, re-organisation, amalgamation, arrangement or compromise affecting its ability to fulfil its obligations under the Rewa PPAs; and
- (iv). any representation or warranty given by the Procurer being false or misleading.

Consequences of Procurer event of default

Upon occurrence of Procurer event of default, MRPL is entitled to terminate the Rewa PPAs in the following manner:

MRPL shall issue a preliminary notice to the Procurer, with a copy to RUMSL, providing 60 days from the date of delivery to cure the breach, as per event of default. If the Procurer fails to cure such breach within the stipulated time period, MRPL will

be entitled to terminate the Rewa PPAs after issuing a notice of termination to the Procurer.

Indemnity: MRPL shall indemnify the Procurers on demand from and against any and all proceedings, actions, third party claim for loss, damage or expense of whatever kind and nature on the occurrence of the following events:

- (i) sickness, injury, death or personal injury;
- (ii) loss of or damage to property;
- (iii) infringement of intellectual property rights in any equipment or materials forming party of the Unit;
- (iv) breach of any representations or warranties set out under the Rewa PPAs;
- (v) negligence or wilful default;
- (vi) breach of statutory duty; and
- (vii) actions claims, demands, costs, charges and expenses (including legal expenses) arising out of construction, operation or maintenance of the Rewa Solar Project.

The Procurer is required to indemnify, defend and hold MRPL harmless against any and all proceedings, actions, third party claim for loss, damage or expense of whatever kind and nature arising out of any act or omission caused by the negligence or wilful default of the Procurer and any other performance or non-performance by the Procurer of its obligations under the Rewa PPAs.

Assignment: MRPL can assign its right, titles and interest under the Rewa PPA's to and in favour of its lenders, pursuant to the substitution agreement and project agreements by way of security in respect to the financial assistance provided by the lenders.

- **Power Purchase Agreements dated September 2, 2016 between Mahindra Susten Private Limited and National Thermal Power Corporation Limited**

Six power purchase agreements dated September 2, 2016 have been entered into between Mahindra Susten Private Limited ("MSPL") and National Thermal Power Corporation Limited ("NTPC") ("**Goyalri PPA**"), wherein NTPC Viduyt Vyapar Nigam Limited on behalf of NTPC agreed, procure power from MSPL up to 10 MW under each power purchase agreement, totalling up to 60 MW from solar power generation facility located at Kolayat Tehsil, Bikaner District, Rajasthan ("**Goyalri Project**") at pre-determined tariff of ₹ 4.35 per kWh ("**Goyalri PPA**").

Commissioning/ Commercial Operations Date ("COD"): Commencement of supply of power for Goyalri PPA up to the Contracted Capacity happened by the COD i.e April 30, 2017.

Scheduled Commissioning Date: The scheduled COD ("**SCOD**") of the Goyalri Project was 13 months from the effective date under the PPA i.e. September 28, 2017.

Term of Agreement: Each Goyalri PPA is effective from August 29, 2016 ("**Effective Date**") and is valid for a period of 25 years from the COD of the relevant Goyalri Project. It may be extended for a further period, on mutually agreed terms at least 180 days prior to the expiry date.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the Goyalri PPA, MSPL undertook to sell to NTPC and NTPC undertook to pay tariff for the 10 MW supplied at the delivery point.

Applicable Tariff: The fixed tariff required to be paid by NTPC to MSPL for the term of the Goyalri PPAs for the energy delivered from COD is ₹ 4.35 per kWh.

Dispatch: The power project shall be required to maintain compliance to the applicable grid code, Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 as applicable, amended and revised from time to time.

Metering: Installation of meters, meter testing, meter calibration and meter reading and all matters incidental thereto, MSPL and NTPC shall follow and be bound by the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and grid code, as amended and revised from time to time. MSPL is required to bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters at its side of the delivery point/metering point/interconnection point. Reporting of metered data and parameters for the same are also specified in the Goyalri PPA.

Insurances: MSPL shall effect and maintain or cause to be effected and maintained at its own cost and expense, throughout the term of the Goyalri PPA, insurances against such risks, with such deductibles and with such endorsements and co-insured, which the prudent utility practices would ordinarily merit maintenance of and as required under the financing documents. The proceeds of any insurance claim made due to loss or damage to the power project or any part of the power project shall be first applied to reinstatement, replacement or renewal of such loss or damage. However, if a force majeure event, renders the power project no longer economically and technically viable and the insurers under the insurances make payments on a total loss or equivalent basis, NTPC shall have no claim on such proceeds of such insurance.

Billing and Payment: MSPL is required to furnish a bill for every month, for the immediately preceding month between the 5th and the 15th day of the succeeding month. The undisputed amount is to be paid by NTPC within 30 days of the date on which the monthly bill is issued. In case of a delay within 30 days beyond the due date, payment surcharge shall be payable at the rate of 1.25% per month. Further, letter of credit shall be opened by NTPC for an estimated average value of one month bill, which shall be valid for a period up to one year.

Change in Control: MSPL is required to maintain its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid up share capital) prevalent at the time of signing the Goyalri PPA up to a period of 1 year after commencement of supply of power.

Events of Default and Termination: Under the Goyalri PPAs events of default for MSPL, inter alia, include:

- (i) the failure to commence supply of power to NTPC up to the Contracted Capacity of 10 MW not later than the scheduled commissioning date i.e., September 28, 2017 (13 months from the Effective Date);
- (ii) non continuance of supply of power throughout the respective terms of the PPAs; or (a) if MSPL assigns, mortgages or charges, or proposes to assign, mortgage or charge any of its rights or assets related to the Goyalri Project in contravention of the provisions of the PPAs; (b) if MSPL transfers or novates any rights or obligations in contravention with the provisions of the PPAs except when such a transfer is done in pursuance of a law or when such transfer is to a transferee who accepts and assumes rights and obligations under the Goyalri PPAs; (c) MSPL becomes subject to bankruptcy or insolvency, voluntarily or involuntarily; (d) If NTPC becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of 30 days; (e) any winding up or bankruptcy or insolvency order is passed against NTPC; or (f) NTPC goes into liquidation or dissolution;
- (iii) MSPL repudiates the agreement and does not rectify the breach within a period of thirty (30) days;
- (iv) MSPL breaches its material obligations under the PPAs and fails to rectify the same within a period of thirty (30) days of receipt of a notice from NTPC in that regard;
- (v) any change in the controlling shareholding of MSPL before the specified timeline of 1 year from COD;
- (vi) any other event that has been listed in the Goyalri PPAs as a material breach or default of MSPL.

Indemnity: MSPL is required to indemnify NTPC against:

- (i) any and all third party claims against NTPC for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by MSPL of any of its obligations under the PPAs; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by NTPC from third party claims arising by reason of a breach by MSPL of any of its obligations under the PPAs.

NTPC shall cause DISCOMs to indemnify MSPL against;

- (i) any and all third party claims against MSPL for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by DISCOMs of any of their obligations under the PPAs; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by MSPL from third party claims arising by reason of a breach by DISCOMs of any of its obligations under the PPAs.

Assignment: The Goyalri PPA cannot be assigned by any party other than by mutual consent between the parties to be evidenced in writing. Provided that, NTPC shall permit assignment of any of MSPL's rights and obligations under the Goyalri PPAs in favour of the lenders if required under the financing agreements.

- **Power Purchase Agreement dated January 15, 2020 between Mahindra Susten Private Limited and Solar Energy Corporation of India Limited**

Power purchase agreement, dated January 15, 2020 has been entered into between Mahindra Susten Private Limited (“MSPL”) and Solar Energy Corporation of India Limited (“SECI”), wherein SECI agreed to procure power from MSPL for up to 200 MW from solar power generation facility located at Bikaner, Rajasthan, India, (“SECI RJ Project”) as an intermediary procurer at pre-determined tariff of ₹2.50/kWh for the entire term of the agreement (“SECI RJ PPA”).

Commissioning/ Commercial Operations Date (“COD”): Commencement of supply of power up to the Contracted Capacity to SECI happened on October 14, 2021.

Scheduled Commissioning Date (“SCOD”): In relation to SECI RJ PPA, SECI extended the scheduled commissioning date of the project to December 1, 2021, vide its letter dated September 30, 2021 issued to MSPL. The original SCOD was April 16, 2021.

Term of Agreement: The SECI RJ PPA is effective from October 16, 2019. The term of the SECI-RJ PPA expires 25 years from the SCOD of the Project which was originally April 16, 2021. It may be extended for a further period, on mutually agreed terms at least 180 days prior to the expiry date.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the SECI RJ PPA, MSPL undertook to sell to SECI and SECI undertook to pay tariff for the 200 MW supplied at the delivery point to MSPL.

Applicable Tariff: SECI is required to pay a tariff of ₹2.50/kWh fixed for the entire term of SECI RJ PPA.

Payment Security: Subject to funds being made available by Ministry of New and Renewable Energy, Government of India, SECI shall set up a payment security mechanism in order to ensure timely payment to MSPL. This fund will have a corpus to cover three months payment. From the commencement of supply of power, SECI shall pay to the MSPL the monthly tariff payments subject to the adjustments such as deductions required by law or set off. MSPL shall issue to SECI a signed monthly bill or supplementary bill for the immediately preceding month including all charges for the energy supplied for relevant month.

Dispatch and Scheduling: MSPL shall be required to schedule its power as per the applicable regulations, issued by the relevant authorities from time to time. MSPL shall be responsible for any deviation from scheduling and resultant liabilities for deviation.

Metering: Installation of meters, meter testing, meter calibration and meter reading shall follow the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and Grid Code, as amended and revised from time to time. Further, MSPL shall bear all costs pertaining to meters at MSPL’s side of delivery point. Reporting of metered data and parameters for the same are also specified in the MSPL PPA.

Insurances: To the extent that the SECI RJ Project is financed, the proceeds of an insurance claim are to be applied in accordance with the financing agreements. If the SECI RJ Project is not being implemented through financing agreements, the proceeds are to be applied towards reinstatement, replacement or renewal of the relevant loss or damage. However, if an event of force majeure results in the MSPL Project not being economically or technically viable, SECI will have a claim on the insurance payments made on a total loss basis or equivalent basis to the extent of the outstanding dues owed by SECI to the Buying Utility under the power sale agreement dated September 12, 2019 (“SECI RJ PSA”). SECI is not liable to MSPL for any compensation to the extent that insurance could have been availed for the relevant loss or damages.

Change in Control: MSPL is required to maintain its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid up share capital) prevalent at the time of signing the SECI-RJ PPA up to a period of 1 year after COD. Further the Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Project dated August 3, 2017 issued by the Ministry of Power, Government of India contemplate that where the successful bidder is itself executing the SECI-RJ PPA, it shall ensure that its promoters do not cede control (i.e. the ownership, directly or indirectly, of more than 50% of the voting shares of such company or right to appoint majority directors) till 1 year from the COD, except with the prior approval of the procurer. Further, the transfer of controlling shareholding is permitted within the same group companies with prior permission from SECI after achieving COD subject to the condition that the management control remains within the same group companies.

Events of Default and Termination:

Events of default by MSPL, *inter alia*, include:

- (i). failure to commence supply of power up to the Contracted Capacity in accordance with the SECI RJ PPA and non-continuance of supply of power throughout the term of the SECI RJ PPA; or
- (ii). MSPL assigns, mortgages, charges any assets or rights relating to the SECI RJ PPA or purports to do so, other than in accordance with the terms of the SECI RJ PPA;
- (iii). MSPL transfers or novates its rights and obligations under the SECI RJ PPA other than in accordance with the terms of the SECI RJ PPA, except where such transfer is: (i) in pursuance of a law and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under the SECI RJ PPA; or (ii) to a transferee who assumes obligations under the SECI RJ PPA and the SECI RJ PPA remains effective with respect to such a transferee;
- (iv). MSPL is: (i) subject to bankruptcy, insolvency or winding up proceedings which are not contested for a period of 30 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official

liquidator is appointed. Such dissolution or liquidation will not constitute an event of default if it is for the purposes of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to that of the solar power developer and assumes all its obligations under the SECI RJ PPA;

- (v). MSPL repudiates the SECI RJ PPA or fails to rectify such breach within 30 days of a notice from SECI in this regard;
- (vi). MSPL is in material breach of its material obligations and such breach is not cured within 30 days of a notice from SECI in this regard;
- (vii). The controlling shareholding of MSPL is modified prior to the expiry of one year after the COD; and
- (viii). The occurrence of any other event which is specified in the SECI RJ PPA to be material default or breach of MSPL.

Consequences of MSPL event of default

- (i). On occurrence of an MSPL event of default, SECI may deliver to MSPL and its lenders a notice specifying its intention to terminate the SECI RJ PPA and the circumstances which gave rise to the issue of such notice. Within a period of 7 days following the expiry of the consultation period of 90 days (or such longer period as may be agreed), SECI may terminate the SECI RJ PPA after giving a written termination notice of 60 days. Further, the lenders in concurrence with SECI and Rajasthan Urja Vikas Nigam Limited (the “**Buying Utility**”), may exercise their rights under the financing agreements, to seek substitution of MSPL by a selectee for the residual period of the SECI RJ PPA, for the purpose of securing the payments of the total debt amount from MSPL and performing the obligations of MSPL.
- (ii). If the lenders are not able to exercise their right to substitute MSPL within the stipulated period, SECI may terminate the SECI RJ PPA and the Buying Utility may acquire the project assets for 90% of the debt due failing which the lenders have the right to exercise their mortgage and liquidate the project assets.

Termination due to SECI event of default

Events of default by SECI, inter alia, include:

- (i). SECI fails to make a payment within 90 days of the due date (shall mean the forty-fifth (45th) day after a monthly bill (including all the relevant documents) or a supplementary bill is received in hard copy and duly acknowledged by the SECI) and amounts due cannot be recovered from the letter of credit;
- (ii). SECI repudiates the SECI RJ PPA or fails to rectify such breach within 60 days of a notice from MSPL in this regard;
- (iii). SECI is in material breach of its obligations and such breach is not cured within 60 days of a notice from MSPL in this regard;
- (iv). SECI is: (i) subject to bankruptcy, insolvency or winding proceedings which are not contested for a period of 60 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official liquidator is appointed. Dissolution or liquidation of SECI will not constitute an event of default if such dissolution or liquidation is for the purposes of a merger, consolidation or reorganization where the resulting company retains creditworthiness similar to that of SECI and assumes all obligations of SECI under the SECI RJ PPA;
- (v). the Buying Utility is subject to any of the above defaults and SECI fails to replace the Buying Utility; and
- (vi). the occurrence of any other event which is specified in the SECI RJ PPA to be material default or breach of SECI.

Consequences of SECI event of default

- (i). In the event of a SECI event of default, MSPL will have the right to deliver to SECI, a preliminary default notice specifying the circumstances which gave rise to the issue of such notice. Following the issue of such notice, a consultation period of 90 days or such longer period as the parties may agree, shall apply and it will be the responsibility of the parties to discuss as to what steps are to be taken with a view to mitigate the consequences of the relevant event of default. After the expiry of such consultation period and an additional period of 210 days thereafter, SECI, may subject to the prior consent of MSPL, and intimation to the Buying Utility novate its part of the SECI RJ PPA to any third party. If such novation is not acceptable to MSPL or no offer of novation has been made by SECI within the stipulated period, MSPL may terminate the SECI RJ PPA and at its discretion, require the Buying Utility to: (i) takeover the assets of the SECI RJ Project by making a payment of the termination compensation equivalent to the amount of the debt due and 150% of the adjusted equity; or (ii) pay to MSPL, damages equivalent to 6 months or balance SECI RJ PPA period, whichever is less, of charges

for its Contracted Capacity, with the SECI RJ Project being retained by MSPL.

- (ii). At the end of 3 months from the period set out above, the SECI RJ PPA may be terminated by MSPL. In the event of termination of the SECI RJ PPA, any damages or charges payable to the state transmission utility, for the connectivity of the plant, will be borne by the Buying Utility.
- (iii). The obligation to pay any damages or charges to state transmission utility, on the event of termination is on the Buying Utility and not SECI.

Indemnity: MSPL shall indemnify, defend and hold SECI harmless against:

- (i) any and all third party claims against SECI for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by MSUPL of any of its obligations under the SECI RJ PPA; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by SECI from third party claims arising by reason of a breach by MSPL of any of its obligations under the SECI RJ PPA, provided that MSPL shall not be required to indemnify SECI for such breaches by MSPL, for which specific remedies have been provided for under the SECI RJ PPA.

SECI shall cause Buying Utility to indemnify, defend and hold MSPL harmless against:

- (i) any and all third party claims against MSPL, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by Buying Utility of any of their obligations under the SECI RJ PPA; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by MSPL from third party claims arising by reason of a breach by Buying Utility of any of its obligations.

There is no liability on MSPL, SECI and the Buying Utility in relation to any incidental, indirect or consequential damages connected with or resulting from performance or non-performance of the SECI RJ PPA.

Assignment and Charges: SECI shall permit assignment of any of MSPL's rights and obligations under the SECI RJ PPA in favour of the lenders if required under the financing agreements. A specific consent from SECI shall be obtained, prior to assignment of the rights under the SECI RJ PPA. In the event of change in shareholding or substitution of promoters triggered by a financial institutions leading to signing of fresh power purchase agreement with new entity, an amount of ₹1 million per transaction as facilitation fee (non-refundable) shall be deposited by MSPL to SECI.

- **Power Purchase Agreement dated May 31, 2020 entered into between Mega Suryaurja Private Limited and Solar Energy Corporation of India Limited**

Power purchase agreement, dated May 31, 2020 has been entered into between Mega Suryaurja Private Limited (“**MSUPL**”) and Solar Energy Corporation of India Limited (“**SECI**”) (with effective date of March 25, 2020) which was subsequently amended on December 10, 2021, wherein SECI agreed to procure power from MSUPL for up to 250 MW from solar power generation facility located at Village Seora and Daddu ka Gaon, Tehsil Kolayat, District Bikaner, Rajasthan, India, (“**MSUPL Project**”) at pre-determined tariff of ₹ 2.54/kWh for the entire term of the agreement (“**MSUPL PPA**”).

Commissioning/ Commercial Operations Date (“COD”): Commencement of supply of power up to the Contracted Capacity to SECI happened by the COD i.e. June 17, 2022.

Scheduled Commissioning Date (“SCOD”): In relation to MSUPL PPA, SECI extended the scheduled commissioning date of the project to June 29, 2022, vide its letter dated June 13, 2022 issued to MSUPL.

Term of Agreement: The MSUPL PPA shall come into effect from March 25, 2020 and shall be valid for a term of 25 years from the SCOD of the Project i.e. June 29, 2022. It may be extended for a further period, at least 180 days prior to the expiry date.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the MSUPL PPA, MSUPL undertakes to sell to SECI and SECI undertakes to pay tariff for the 250 MW supplied at the delivery point to MSUPL.

Applicable Tariff: SECI is required to pay a tariff of ₹2.54/kWh fixed for the entire term of MSUPL PPA.

Payment Security: Subject to opening and maintenance of letter of credit by the Haryana Power Purchase Centre (“**Buying Entity**”) (as per terms of the SECI – Buying Entity Power Sale Agreement (“**MSUPL PSA**”)) in favour of the buyer, SECI shall provide to MSUPL, in respect of payment of its monthly bills or supplementary bills, a monthly unconditional, revolving and irrevocable letter of credit, opened and maintained which may be drawn upon by the MSUPL in accordance with the MSUPL PPA.

Dispatch and Scheduling: MSUPL shall be required to schedule its power as per the applicable regulations/requirements/guidelines of Central Electricity Regulatory Commission of India (“**CERC**”)/ relevant State Electricity Regulatory Commission (“**SERC**”)/ relevant State Load Dispatch Centre (“**SLDC**”)/ relevant Regional Load Dispatch Centre (“**RLDC**”) or any other competent agency and same being recognized by the SLDC or any other competent authority/agency as per applicable law/direction and maintain compliance to the applicable Codes/Grid Code requirements and directions, if any, as specified by concerned SLDC/RLDC from time to time. Any deviation from the schedule will attract the provisions of applicable regulations/guidelines/ directions and any financial implication on account of this shall be on account of MSUPL.

Metering: Installation of meters, meter testing, meter calibration and meter reading shall follow the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and Grid Code, as amended and revised from time to time. Further, MSPL shall bear all costs pertaining to meters at MSPL’s side of delivery point. Reporting of metered data and parameters for the same are also specified in the MSUPL PPA. The transmission of power up to the point of interconnection where the metering is done for energy accounting shall be the responsibility of MSUPL at its own cost.

Insurances: MSUPL shall take an industrial all risk insurance policy, at its own cost and expense to keep the MSUPL Project in good condition throughout the term of the MSUPL PPA. To the extent that the MSUPL Project is financed, the proceeds of an insurance claim are to be applied in accordance with the financing agreements. If the MSUPL Project is not being implemented through financing agreements, the proceeds are to be applied towards reinstatement, replacement or renewal of the relevant loss or damage. However, if an event of force majeure results in the MSUPL Project not being economically or technically viable, SECI will have a claim on the insurance payments made on a total loss basis to the extent of the outstanding dues owed by SECI to buying entity under the power sale agreement dated March 19, 2020 (“**MSUPL PSA**”).

Change in Control: MSUPL shall be required to maintain its controlling shareholding (controlling shareholding shall mean more than 50% of the voting rights and paid-up share capital) prevalent at the time of signing the MSUPL PPA up to a period of 1 year after COD of the MSUPL Project. Further the guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Solar PV Power Project, dated August 3, 2017, issued by the Ministry of Power, Government of India contemplate that where the successful bidder is itself executing the MSUPL PPA, it shall ensure that its promoters do not cede control (i.e. the ownership, directly or indirectly, of more than 50% of the voting shares of such company or right to appoint majority directors) till 1 year from the COD, except with the prior approval of the procurer. Further, the transfer of controlling shareholding is permitted within the same group companies with prior permission from SECI after achieving COD subject to the condition that the management control remains within the same group companies.

Events of Default and Termination:

Events of default by MSUPL, amongst others, include:

- (i). failure to commence supply of power up to the Contracted Capacity in accordance with the MSUPL PPA and non-continuance of supply of power throughout the term of the MSUPL PPA; or
- (ii). MSUPL assigns, mortgages, charges any assets or rights relating to the MSUPL PPA or purports to do so, other than in accordance with the terms of the MSUPL PPA;
- (iii). MSUPL transfers or novates its rights and obligations under the MSUPL PPA other than in accordance with the terms of the MSUPL PPA, except where such transfer is: (i) in pursuance of a law and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under the MSUPL PPA; or (ii) to a transferee who assumes obligations under the MSUPL PPA and the MSUPL PPA remains effective with respect to such a transferee;
- (iv). MSUPL is: (i) subject to bankruptcy, insolvency or winding proceedings which are not contested for a period of 30 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official liquidator is appointed. Such dissolution or liquidation will not constitute an event of default if it is for the purposes of a merger, consolidation or reorganization and where the resulting company retains creditworthiness similar to that of the solar power developer and assumes all its obligations under the MSUPL PPA;
- (v). MSUPL repudiates the MSUPL PPA or fails to rectify such breach within 30 days of a notice from SECI in this regard;
- (vi). MSUPL is in material breach of its obligations and such breach is not cured within 30 days of a notice from SECI in this regard;
- (vii). The controlling shareholding (which shall mean not less than 51% of the voting rights and paid-up share capital) of MSUPL is modified prior to the expiry of one year from the COD of the Project; and

(viii). The occurrence of any other event which is specified in the MSUPL PPA to be material default or breach of MSUPL.

Consequences of MSUPL event of default

- (i). On occurrence of an MSUPL event of default, SECI may deliver to MSUPL and its lenders a notice specifying its intention to terminate the MSUPL PPA and the circumstances which gave rise to the issue of such notice. Within a period of seven days following the expiry of the consultation period of 90 days (or such longer period as may be agreed between the parties), SECI may terminate the MSUPL PPA after giving a written termination notice of 60 days. Further, the lenders in concurrence with SECI, may exercise their rights under the financing agreements, to seek substitution of MSUPL by a selectee for the residual period of the MSUPL PPA, for the purpose of securing the payments of the total debt amount from MSUPL and performing the obligations of MSUPL.
- (ii). If the lenders are not able to exercise their right to substitute MSUPL within the stipulated period, SECI may terminate the MSUPL PPA and the Buying Utility may acquire the project assets for 90% of the debt due or such lower amount as may be mutually agreed. If the Buying Entity does not acquire the project assets, the lenders have the right to exercise their mortgage and liquidate the project assets.

Termination due to SECI event of default

Events of default by SECI, inter alia, include:

- (i). SECI fails to make a payment within 90 days of the 45th day after a monthly bill or a supplementary bill is received in hard copy and duly acknowledged by SECI and amounts due cannot be recovered from the letter of credit;
- (ii). SECI repudiates the MSUPL PPA or fails to rectify an event constituting a breach under the MSUPL PPA within 60 days of receiving a notice from MSUPL in this regard;
- (iii). SECI is: (i) subject to bankruptcy, insolvency or winding up proceedings which are not contested for a period of 60 days or a winding up, insolvency or bankruptcy order is passed; or (ii) liquidated or dissolved or a receiver or official liquidator is appointed. Dissolution or liquidation of SECI will not constitute an event of default if such dissolution or liquidation is for the purposes of a merger, consolidation or reorganization where the resulting company retains creditworthiness similar to that of SECI and assumes all obligations of SECI under the MSUPL PPA;
- (iv). the Buying Utility is subject to any of the above defaults and SECI fails to replace such Buying Utility; and
- (v). The occurrence of any other event which is specified in the MSUPL PPA to be material default or breach of SECI.

Consequences of SECI event of default

- (i). In the event of a SECI Event of Default, MSUPL will have the right to deliver to SECI, a MSUPL's preliminary default notice specifying the circumstances which gave rise to the issue of such notice. Following the issue of MSUPL's preliminary default notice, a consultation period of 90 days or such longer period as the parties may agree, shall apply and it will be the responsibility of the parties to discuss as to what steps are to be taken with a view to mitigate the consequences of the relevant event of default. After the expiry of such consultation period and an additional period of 210 days thereafter, SECI, may subject to the prior consent of MSUPL, novate its part of the MSUPL PPA to any third party. If such novation is not acceptable to MSUPL or no offer of novation has been made by SECI within the stipulated period, MSUPL may terminate the PPA and at its discretion, require the Buying Utility to: (i) takeover the assets of the MSUPL Project by making a payment of the termination compensation equivalent to the amount of the debt due and 150% of the adjusted equity; or (ii) pay to MSUPL, damages equivalent to 6 months or balance MSUPL PPA period, whichever is less, of charges for its Contracted Capacity, with the MSUPL Project being retained by MSUPL.
- (ii). At the end of 3 months from the end of 210 days as mentioned hereinabove, the MSUPL PPA may be terminated by MSUPL. In the event of termination of the MSUPL PPA, any damages or charges payable to the STU/ CTU, for the connectivity of the plant, will be borne by the Buying Entity.
- (iii). The obligation to pay termination payments is on the Buying Utility and not SECI.

Indemnity: MSUPL shall indemnify, defend and hold SECI harmless against:

- (i) any and all third party claims against SECI for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by MSUPL of any of its obligations under the MSUPL PPA; and

- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by SECI from third party claims arising by reason of a breach by MSUPL of any of its obligations under the MSUPL PPA, provided that MSUPL shall not be required to indemnify SECI for such breaches by MSUPL, for which specific remedies have been provided for under the MSUPL PPA.

SECI shall cause the Buying Entity to indemnify, defend and hold MSUPL harmless against:

- (i) any and all third party claims against MSUPL, for any loss of or damage to property of such third party, or death or injury to such third party, arising out of a breach by the Buying Utility of any of their obligations under the MSUPL PPA; and
- (ii) any and all losses, damages, costs and expenses including legal costs, fines, penalties and interest actually suffered or incurred by MSUPL from third party claims arising by reason of a breach by Buying Utility of any of its obligations.

There is no liability in relation to any incidental, indirect or consequential damages connected with or resulting from performance or non-performance of the PPA.

Assignment and Charges: SECI shall permit assignment of any of MSUPL's rights and obligations under the MSUPL PPA in favour of the lenders if required under the financing agreements. A specific consent from SECI shall be obtained, prior to assignment of the rights under the MSUPL PPA. In the event of change in shareholding triggered by a financial institution leading to signing of fresh power purchase agreement with new entity, an amount of ₹ 1.00 million per transaction as facilitation fee (non-refundable) shall be deposited by MSUPL to SECI.

• **Power Purchase Agreement dated February 24, 2016 entered into between Neo Solren Private Limited and Northern Power Distribution Company of Telangana Limited**

Power purchase agreement, dated February 24, 2016 has been entered into between Neo Solren Private Limited (“**NSPL**”) and Northern Power Distribution Company of Telangana Limited (“**DISCOM**”) which was subsequently amended on January 25, 2019, wherein DISCOM agreed to procure power from NSPL for up to 42 MW from solar power generation facility located at Waddekothapally SS, Warangal District, Telangana (“**NSPL Project**”) at pre-determined tariff of ₹ 5.59 per kWh for the entire term of the agreement (“**NSPL PPA**”).

Commissioning/ Commercial Operations Date (“COD”): As per the NSPL PPA, NSPL was originally required to achieve COD within 15 months from the effective date (defined below) of the NSPL PPA. Based on the first amendment dated January 25, 2019, the COD for the NSPL Project was declared to be November 6, 2017.

Scheduled Commissioning Date (“SCOD”): The original SCOD of the NSPL Project was May 23, 2017 which was subsequently extended till October 31, 2017.

Term of Agreement: The NSPL PPA is effective from February 24, 2016 (“**Effective Date**”) and shall be valid for a period of 25 years from the COD of the Project. It may be extended for a further period on such terms and conditions as may be mutually agreed between the DISCOM and NSPL, at least 90 days prior to the expiry date.

Metering: NSPL is responsible for installation of meters as per the NSPL PPA, which shall follow the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006 and the norms of the Telangana State Electricity Regulatory Commission, as amended and revised from time to time.

Purchase and sale of Contracted Capacity: Subject to the terms and conditions of the NSPL PPA, NSPL undertook to sell to DISCOM and the DISCOM undertook to pay tariff for the 42 MW supplied at the delivery point, as mentioned in the NSPL PPA.

Applicable Tariff: DISCOM is required to pay a tariff of ₹ 5.59 per unit fixed for the entire term of NSPL PPA.

Payment Security: The DISCOM is required to furnish an irrevocable letter of credit issued in favour of NSPL from a scheduled bank for 1 months' billing value, 30 days prior to the due date of the first monthly bill. If there is any increase in the delivered energy on account of commissioning of additional capacity after the first month's billing or in subsequent billing months, the DISCOM shall revise the letter of credit to cover the latest previous month billing upto COD. The letter of credit may only be invoked if the DISCOM fails to pay the current month bill amount by the due date.

Insurances: NSPL shall take insurance for the project assets against losses due to natural calamities, fire, riot, strike, theft etc, for replacement value and shall submit documentary evidence of meeting the condition to DISCOM.

Change in Control: After the execution of NSPL PPA and until the expiry period of 1 year after the COD of the NSPL Project, MSPL is required to hold the controlling shareholding of not less than 51% of the voting rights and paid up share capital (including fully mandatorily convertible preference shares or debentures, as the case may be) of NSPL and thereafter any change can be taken after intimation to the DISCOM.

Events of Default and Termination:

Events of default by NSPL, *inter alia*, include:

- (i). NSPL assigns, mortgages, charges any assets or rights relating to the NSPL Project or purports to do so, other than in accordance with the terms of the NSPL PPA or where required under law or to a transferee who assumes the obligations under the NSPL PPA;
- (ii). NSPL transfers or novates its rights and obligations under the NSPL PPA pursuant to applicable law where the transferee has the financial capability and ability to perform the obligations of transferee assumes all obligations of NSPL under the NSPL PPA, except where such transfer is: (i) in pursuance of a law and does not affect the ability of the transferee to perform, and such transferee has the financial capability to perform, its obligations under the NSPL PPA; or (ii) to a transferee who assumes obligations under the NSPL PPA and the NSPL PPA remains effective with respect to such a transferee;;
- (iii). NSPL is subject to bankruptcy, insolvency or winding up proceedings which are not contested for a period of 30 days or a winding up, insolvency or bankruptcy order is passed or it goes into liquidation or dissolution or a receiver or official liquidator is appointed. Such dissolution or liquidation will not constitute an event of default if it is for the purposes of merger, consolidation or reorganization and where the resulting company has a creditworthiness similar to that of the NSPL and assumes all its obligations under the NSPL PPA;
- (iv). Except due to any failure by the DISCOM to comply with its material obligations, NSPL is in breach of any of its material obligations pursuant to the NSPL PPA, and such material breach is not rectified by NSPL within 30 days of receipt of first notice (“**First Default Notice**”) in this regard given by the DISCOM;
- (v). NSPL repudiates the NSPL PPA or fails to rectify such breach within 30 days of the First Default Notice from DISCOM; and
- (vi). The occurrence of any other event which is a material default or breach under the NSPL PPA (which includes non-submission of the performance bank guarantee).

Consequences of an event of default by NSPL under the NSPL PPA

Upon occurrence of and continuation of any NSPL event of default, the DISCOM shall have the right to deliver to NSPL (with a copy to the representative of the lenders) a notice (“**DISCOM Preliminary Default Notice**”) stating its intention to terminate the NSPL PPA. After the issue of the DISCOM Preliminary Default Notice, a conciliation period of 60 days or such longer period as the parties may agree, shall apply and it shall be the responsibility of the parties to discuss the steps to be taken to mitigate the consequences of the default. Once the conciliation period has expired, unless the default has been remedied or ceased to occur, the DISCOM shall give a further notice to the NSPL’s lenders requiring the lenders to cure NSPL’s breaches within a period of 90 days from the date of issue of such notice then and unless otherwise cured by the lenders, the DISCOM may terminate the NSPL PPA by giving a 30 days’ notice to NSPL.

Termination due to DISCOM event of default

Events of default by DISCOM, *inter alia*, include:

- (i). If the DISCOM fails to make a payment within 90 days of the due date of payment and amounts due cannot be recovered by NSPL from the line of credit granted by the DISCOM as payment security;
- (ii). If the DISCOM repudiates the NSPL PPA or fails to rectify such breach within 30 days of a notice from NSPL in this regard;
- (iii). If the DISCOM is in material breach of its obligations and such breach is not cured within 30 days of a notice from NSPL in this regard;
- (iv). If the DISCOM is subject to bankruptcy, insolvency or winding proceedings which are not contested for a period of

30 days or a winding up, insolvency or bankruptcy order is passed, or it goes into liquidation or dissolution or a receiver or official liquidator is appointed. However the dissolution or liquidation of the DISCOM will not constitute an event of default if such dissolution or liquidation is for the purposes of merger, consolidation or reorganization and where the resulting company has a financial standing and creditworthiness similar to that of the DISCOM and assumes all obligations of the DISCOM under the NSPL PPA.

Consequences of DISCOM event of default

- (i). In the event of an event of default attributable to the DISCOM, NSPL is required to deliver to the DISCOM, a notice (“**NSPL Preliminary Default Notice**”) specifying the event of default. Pursuant to the issuance of such NSPL Preliminary Default Notice, a conciliation period of 60 days or such longer period as the parties may agree (which is the cure period provided for under the NSPL PPA) shall apply and the parties are required to discuss the steps to be taken to mitigate the consequences of the relevant event of default and within a period of 7 days following the expiry of the consultation period of 60 days, NSPL shall be free to sell the power to any third party of its choice.
- (ii). Further, NSPL has the right to terminate the NSPL PPA after the expiry of three months from the date of expiry of the conciliation period and 7 days thereafter.
- (iii). Further, if there is a payment default for 90 days after due date, and NSPL is unable to recover the outstanding amounts through the letter of credit or in any other manner, it will be an DISCOM event of default. NSPL can opt for conciliation and after the expiry of two months and seven days from the date of opting for conciliation, NSPL is free to sell the Contracted Capacity to any third party with notice to the DISCOM and terminate the NSPL PPA after the expiry of 3 months from the date of selling of power to any third party.

Indemnity: No indemnity is provided to any party under the NSPL Project.

Assignment and Charges: Neither party to the NSPL PPA shall assign the NSPL PPA or any portion thereof to any third party without the prior written consent of the other part and which consent shall not be unreasonably withheld. The PPA shall not be assigned by either NSPL or the DISCOM except by mutual consent between the parties to the NSPL PPA to be evidenced in writing. NSPL is restricted from encumbering, mortgaging or assigning the project assets, except for obtaining financing for the execution of the NSPL Project.

INFORMATION CONCERNING THE UNITS

Unit holding of the Trust

Particulars	Number of Units
Units issued and outstanding prior to this Offer	Up to [●]
Units issued and outstanding after this Offer	Up to [●]*

* To be updated in the Final Placement Memorandum prior to filing with SEBI and the Stock Exchange.

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.	[●]	Up to [●]	[●]	Up to [●]	[●]

* To be updated in the Final Placement Memorandum prior to filing with SEBI and the Stock Exchange.

Unitholding of the Sponsors, Sponsor Group, Investment Manager, Project Manager and Trustee

The Sponsors and certain Sponsor Group entities shall be allotted Units of the Trust pursuant to the Share Purchase Agreements, after the Bid/Offer Closing Date and prior to Allotment of Units in the Offer. Mahindra Susten Private Limited, being one of the Sponsors, proposes to offer a portion of their unitholding in the Offer for Sale, subject to the Sponsors collectively holding not less than 15% on a post-Offer basis. Such Units required to be held in terms of the InvIT Regulation shall be locked-in and shall not be encumbered.

The Trustee, Investment Manager and Project 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 Draft Placement Memorandum, none of the directors of the Investment Manager hold any Units or propose to hold any Units in the Trust.

Sponsor and Sponsor Group lock-in

Under the InvIT Regulations, the Sponsors and Sponsor Group are required to, collectively, hold a minimum of 15% of our Units for a minimum period of three years from the date of listing pursuant to the initial offer and the balance of their unitholding in the Trust is required to be locked in for a period of not less than one year from the date of listing of the Units.

Further, in accordance with the InvIT Regulations, the Sponsors and the Sponsor Group are required to lock-in our Units as follows:

From the beginning of 4 th year after the date of listing pursuant to the initial offer and till the end of 5 th year from the date of listing pursuant to the initial offer	5% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 6 th year after the date of listing pursuant to the initial offer and till the end of 10 th year from the date of listing pursuant to the initial offer	3% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 11 th year after the date of listing pursuant to the initial offer and till the end of 20 th year from the date of listing pursuant to the initial offer	2% of total Units or ₹ 500 crores, whichever is lower*
After completion of the 20 th year from the date of listing pursuant to the initial offer	1% of total Units or ₹ 500 crores, whichever is lower*

* Provided that the maximum value of Units to be held by the Sponsor and Sponsor Group for compliance with the above shall not exceed ₹500 crores or such other value as may be decided by SEBI from time to time wherein such valuation shall be based on the latest available asset value of the Trust.

In terms of the InvIT Regulations, the Sponsors shall, collectively, hold not less than 15% of Units and shall hold [●] units (being, [●]% of the unitholding). 15% of the Sponsor's unitholding, collectively, shall be locked-in for a period of three years from the date of listing of the Units. Further, the Sponsors, undertake and agree to lock-in its unitholding in the manner specified above for the period subsequent to the three years after Listing, in the manner as may be mutually agreed.

Additionally, the any unitholding held by the Sponsors and Sponsor Group exceeding the 15% of Units set out above, shall be locked in for a period of not less than one year from the date of listing of the Units. Any person other than the Sponsors holding units of the Trust prior to initial offer shall hold the units for a period of not less than one year from the date of listing of the Units.

USE OF PROCEEDS

The Offer comprises a Fresh Issue by the Trust and an Offer for Sale by the Selling Unitholder.

The Offer for Sale

The Selling Unitholders will be entitled to the proceeds of the Offer for Sale. The Trust will not receive any proceeds from the Offer for Sale.

The Fresh Issue

The proceeds of the Fresh Issue available to the Trust will be ₹ 14,500 million (the “**Fresh Issue Proceeds**”).

The Fresh Issue Proceeds will be utilised towards:

- (i) providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt availed from the MSPL Sponsor and certain lenders and financial institutions, including any accrued interest; and
- (ii) general purposes and Offer expenses.

Requirements of Funds

The Fresh Issue Proceeds are proposed to be utilised in accordance with the details provided in the following table:

<i>(In ₹ million)</i>		
S. No.	Particulars	Estimated Amount
(i)	Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt availed from the MSPL Sponsor and certain lenders and financial institutions, including any accrued interest*	13,977.43
(ii)	General purposes*	[●]
(iii)	Offer expenses*	[●]
	TOTAL	14,500.00

**To be updated in the Final Placement Memorandum prior to filing with SEBI and the Stock Exchange.*

The Investment Manager believes that providing a loan to the Initial Portfolio Assets for repayment or pre-payment of debt availed from the MSPL Sponsor and certain lenders and financial institutions, including any accrued interest, 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, including due to factors beyond the Investment Manager’s control, such as market conditions, competitive environment, interest rate and exchange rate fluctuations. Consequently, the fund requirements are subject to revisions, in the future, at the discretion of the Investment Manager.

In case of a shortfall in Fresh Issue Proceeds, the Investment Manager may, in compliance with the InvIT Regulations, have the flexibility to meet such shortfall including, by utilising the Trust’s internal accruals or availing facilities from lenders and financial institutions. The Investment Manager, in accordance with the Investment Objectives of the Trust, policies of its board of directors of the Investment Manager and the InvIT Regulations, will have flexibility in utilising any surplus amounts.

Details of Utilisation of the Fresh Issue Proceeds

The details of utilisation of the Fresh Issue Proceeds are set forth herein below:

- (i) ***Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt availed by them from certain lenders and financial institutions, and the MSPL Sponsor, including any accrued interest.***

The Trust proposes to utilise an estimated aggregate amount of ₹ 13,977.43 million from the Fresh Issue Proceeds and ₹ 34,000 million from the loan proposed to be availed by the Trust after the listing of Units to provide loans to the

Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets from certain banks and financial institutions, and the MSPL Sponsor, as described below:

Sr.no.	Particulars of the SPV/Project	Name of the lender	Outstanding amount as of August 31, 2023 (in ₹ million) (facilities availed from the lenders including buyer's credit)	Outstanding accrued interest amount as of August 31, 2023 (in ₹ million)	Total outstanding amount as of August 31, 2023 (in ₹ million)
1.	Emergent Solren Private Limited – Goyalri Project	HDFC Bank Limited	2,011.87	15.55	2,027.42
2.	Emergent Solren Private Limited – SECI RJ Project	Axis Bank Limited	1,567.45	-	1,567.45
		HDFC Bank Limited	2,654.62	20.18	2,674.80
		SBLC – Axis Bank Limited	1,770.16	17.19	1,787.34
		SBLC – HDFC Bank Limited	241.93	3.01	244.94
		MSPL Sponsor	1,777.00	99.96	1,876.96
3.	Megasolis Renewables Private Limited – ISTS Project	Axis Bank Limited	2,134.40	-	2,134.40
		HDFC Bank Limited	2,044.77	17.07	2,061.85
		IndusInd Bank Limited	3,004.22	0.72	3,004.94
		SBLC – IndusInd Bank Limited	794.25	28.79	823.04
		MSPL Sponsor	2,306.57	691.97	2,998.54
4.	Megasolis Renewables Private Limited – Rewa Project	Aditya Birla Finance Limited	2,593.89	-	2,593.89
		Bank of Maharashtra	1,728.57	-	1,728.57
		HDFC Bank Limited	1,968.35	15.21	1,983.56
		International Finance Corporation Limited	1,792.80	16.47	1,809.27
		MSPL Sponsor	1,307.78	67.81	1,375.59
5.	Mega Suryaurja Private Limited	Axis Bank Limited	2,900.10	-	2,900.10
		Bank of Maharashtra	501.88	-	501.88
		Federal Bank Limited	722.48	-	722.48
		HDFC Bank Limited	1,432.92	7.93	1,440.86
		SBLC – HDFC Bank Limited	3,538.21	71.33	3,609.54
		MSPL Sponsor	3,137.42	549.19	3,686.61
6.	Astra Solren Private Limited	MSPL Sponsor	2,160.40	19.08	2,179.48
7.	Brightsolar Renewable Energy Private Limited	MSPL Sponsor	494.95	4.14	499.09
8.	Neo Solren Private Limited	MSPL Sponsor	1,730.00	14.84	1,744.84
	Grand Total		46,316.99	1,660.44	47,977.43

*We propose to repay borrowings availed from Axis Bank Limited (“Axis Bank”) from the Fresh Issue Proceeds. While Axis Bank is a promoter of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with promoter of the Trustee. The current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee.

For further details on borrowing availed by the Initial Portfolio Assets and the loan proposed to be provided to the Initial Portfolio Assets by the Trust, please see the section entitled “Financial Indebtedness and Deferred Payments” on page 261.

The repayment or prepayment of indebtedness availed by Initial Portfolio Assets, as set out above, shall be based on various factors, including: (i) any conditions attached to the loan or the consent issued by the lender in relation to such pre-payment or repayment, restricting the Trust’s ability to repay or prepay the debt and time taken to fulfil such requirements; (ii) provisions of any laws, rules, regulations and contracts governing such borrowings; and (iii) other commercial considerations, including the interest rate on the debt securities and the amount outstanding (including

interest accrued till date of repayment). As on the date of this Draft Placement Memorandum, the Initial Portfolio Assets have applied for necessary consents from their existing lenders in relation to such pre-payment or repayment.

(ii) **General purposes**

In terms of the InvIT Regulations, the Investment Manager on behalf of the Trust shall, at its discretion, deploy the balance Fresh Issue Proceeds (excluding the Offer Expenses) aggregating up to ₹ [●] million towards general expenses for the operation of the Trust, subject to such utilization not exceeding 10% of the Fresh Issue Proceeds, in compliance with the InvIT Regulations. The general purposes for which the Trust proposes to utilise Fresh Issue Proceeds include meeting exigencies and expenses incurred in the ordinary course of business. In addition, the Trust may utilise the Fresh Issue Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved by the Investment Manager or the Trustee, as the case may be, subject to compliance with applicable law. The MSPL Sponsor will be reimbursed for certain setup expenses from the Fresh Issue Proceeds and such reimbursement amount shall not exceed 10% of the Fresh Issue Proceeds. Additionally, the Investment Manager will also be reimbursed for certain setup expenses from the funds of the Trust.

Offer Expenses*

The total expenses of this Offer are estimated to be up to ₹ [●] million (“**Offer Expenses**”). The Offer Expenses consist of fee and commissions payable to the Placement Agents, fee payable to legal counsels, fee payable to Escrow Collection Bank and Registrar, fee payable to Trustee, Valuer, SEBI (filing of the Offer Documents), Technical Consultant, Auditor and Credit Rating Agency, stamp duties payable on issuance of units, Registrar and Unit Transfer Agent and all other incidental and miscellaneous expenses for undertaking the formation transactions and for listing the Units on the Stock Exchange. The Offer Expenses shall be borne by the Trust. For ease of operations, if required, the expenses in relation to the Offer as stated above, at the outset, may be borne by the Sponsors or the Investment Manager on behalf of the Trust, and the Investment Manager (on behalf of the Trust) agrees that it will reimburse the Sponsors or the Investment Manager for all such expenses as may be incurred by the Sponsors or the Investment Manager on actual basis, from the future cash flows of the Trust. The MSPL Sponsor will be reimbursed for certain Offer Expenses from the Fresh Issue Proceeds.

Any changes in the utilization of Fresh Issue Proceeds, shall be made by the Investment Manager in accordance with applicable law and in compliance with InvIT Regulations.

We propose to pay issue management fee to Axis Capital Limited (“Axis Capital**”) from the net Proceeds. While Axis Capital is an affiliate of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee. The current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee.*

FINANCIAL INDEBTEDNESS AND DEFERRED PAYMENTS

The details of indebtedness of the Trust and the Initial Portfolio Assets as at August 31, 2023, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

(Amounts in ₹ million)

Category of borrowing	Pre-Offer Principal Amount outstanding, as on August 31, 2023	Post-Offer Principal Amount outstanding [^]
ASPL		
Secured borrowings	-	[●]
Unsecured borrowings	2,179.48	[●]
Total Borrowings	2,179.48	[●]
BREPL		
Secured borrowings	-	[●]
Unsecured borrowings	499.09	[●]
Total Borrowings	499.09	[●]
ESPL*		
Secured borrowings	8,301.94	[●]
Unsecured borrowings	1,876.96	[●]
Total Borrowings	10,178.90	[●]
MRPL		
Secured borrowings	16,139.51	[●]
Unsecured borrowings	4,374.13	[●]
Total Borrowings	20,513.64	[●]
MSUPL		
Secured borrowings	9,174.85	[●]
Unsecured borrowings	3,686.61	[●]
Total Borrowings	12,861.46	[●]
NSPL		
Secured borrowings	-	[●]
Unsecured borrowings	1,744.84	[●]
Total Borrowings	1,744.84	[●]
Total	47,977.43	[●]

[^]Will be determined upon completion of the Offer. To be updated in the Final Placement Memorandum prior to filing with SEBI and the Stock Exchange

*Note -Borrowings in relation to Goyalri Project and SECI RJ Project were transferred to ESPL subsequent to the effective demerger pursuant to an order dated July 27, 2023 issued by the National Company Law Tribunal, Mumbai, which is effective from September 1, 2023.

*We have availed borrowings from Axis Bank Limited ("Axis Bank") from the Fresh Issue Proceeds. While Axis Bank is a promoter of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with promoter of the Trustee. The current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee.

Principal terms of the borrowings availed by the Initial Portfolio Assets from external lenders:

1. **Security:** The borrowings availed by the Initial Portfolio Assets, are secured by, amongst others, a first ranking *pari passu* charge over:
 - (i) all immovable assets of the Initial Portfolio Assets;
 - (ii) All tangible and moveable assets of certain Initial Portfolio Assets (both present and future);
 - (iii) All current assets and receivables including but not limited to book debts, operating cash flows, commissions or revenues of whatever nature and whenever arising, of certain Initial Portfolio Assets (both present and future);
 - (iv) all intangible assets of certain Initial Portfolio Assets including but not limited to goodwill and uncalled capital (both present and future);
 - (v) pledge of a certain specified percentage of the equity shares of certain Initial Portfolio Assets;
 - (vi) accounts of certain Initial Portfolio Assets, including escrow accounts and sub-accounts maintained in accordance with the financing arrangements, accounts created for maintaining reserves such as major maintenance reserves, debt service reserve account and any other bank accounts of the Initial Portfolio Assets and all its receivables; and

- (vii). All rights and interests of certain Initial Portfolio Assets: (a) under the relevant project agreements, (b) under all the permits, approvals and clearances obtained by the Initial Portfolio Assets, (c) under any letter of credit, liquidation damages or performance bonds, corporate guarantee and bank guarantee provided by any party to the project agreement, and (d) under the insurance contracts;
2. *Pre-payment:* The Initial Portfolio Assets are required to mandatorily prepay the outstanding amounts, in full or in part, together with all interests, other charges and monies due and payable, on the occurrence of certain events which include, amongst others:
 - (i). in the event the shareholding of the relevant parent company in certain Initial Portfolio Assets fall below 51% (fifty one percent);
 - (ii). Cancellation of any material licenses or clearances or approvals;
 - (iii). Occurrence of an event of any transaction document or any provision thereof is or becomes illegal or unlawful; and
 - (iv). divestment of either the whole or part of certain projects held by certain Initial Portfolio Assets;
 3. *Restrictive Covenants:* The borrowing arrangements entered into by the Initial Portfolio Assets contain standard restrictive covenants affecting the Initial Portfolio Assets, which prevent them from undertaking certain actions, without prior consent of certain lenders, which include, amongst others:
 - (i). change in shareholding pattern or failure to maintain management control as specified in the relevant borrowing arrangements;
 - (ii). Making any investment in any entity, by way of deposits, debentures, bonds, share capital or in any other form or give any loans, extend any financial assistance, make any advance or pay any interest to any person from the relevant Project cashflows;
 - (iii). Undertake any guarantee obligations or financial obligations;
 - (iv). amending its constitutional documents;
 - (v). change in capital structure which shall result in increase of the project debt to promoter contribution ratio /finance ratios stipulated under various financing documents or making any changes to their names and addresses;
 - (vi). convey, sell, lease, let, mortgage or otherwise dispose of any part of the assets of the Initial Portfolio Assets except as provided under the financing agreements;
 - (vii). Taking any action towards amalgamation, reconstruction, merger, de-merger, buy-back, consolidation or re-organisation;
 - (viii). Appointment or re-appointment or removal of managing director or any person holding substantial powers of management; appointment of a director who is also a director on the board of any other company, which has been identified as a wilful defaulter by any bank or financial institution;
 - (ix). Change or replace operation and management contractor; and
 - (x). make any material change to it's business or business activity.
 4. *Events of Default:* The borrowing arrangements entered into by the Initial Portfolio Assets contain standard events of default affecting the Initial Portfolio Assets, including, amongst others:
 - (i). failure to pay any sum under the financing agreement;
 - (ii). Breach of obligations in the performance of the financial covenants under the relevant financing agreements;

- (iii). Failure to create security within the time period stipulated;
 - (iv). upon occurrence of an event which may have a material adverse effect;
 - (v). upon the occurrence of an event which results in the change of control;
 - (vi). initiation of insolvency or other proceedings of attachment, execution, restraint, against the Initial Portfolio Assets;
 - (vii). Failure to maintain insurance cover over its properties;
 - (viii). If the Initial Portfolio Asset's credit rating falls below the stipulated threshold; and
 - (ix). Failure to maintain the financial ratios.
5. *Consequences of default:* In terms of the borrowing arrangements entered into by the Initial Portfolio Assets, the following, amongst others, are the consequences of default:
- (i). appointment of one nominee director on the board of directors of the Initial Portfolio Assets;
 - (ii). acceleration of repayment obligations and declaration of amounts outstanding to be forthwith due and payable;
 - (iii). convert outstanding secured obligations in part or full, into fully paid-up equity shares;
 - (iv). exercise of other remedies as permitted or available under the borrowing arrangements; and
 - (v). enter upon and take possession of the assets comprised within the security created.

This is an indicative list of the terms of the borrowings availed by the Initial Portfolio Assets and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by the Initial Portfolio Assets. Further, certain Initial Portfolio Assets have also availed borrowings from the MSPL Sponsor.

Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding borrowing amounts may vary from time to time. In addition to the above, the Initial Portfolio Assets may, from time to time, enter into re-financing arrangements and draw down funds thereunder, prior to the filing of this Draft Placement Memorandum.

Principal terms of the borrowings by the Initial Portfolio Assets from the Trust

Please see the section entitled “*Use of Proceeds*” on page 258 for a description of the terms of the Trust Loan Agreement.

The proceeds from the Trust Loan will be an estimated amount of ₹ [●] million (the “**Trust Loan Proceeds**”). The Trust Loan Proceeds will be utilised by the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by them from the MSPL Sponsor and certain external lenders.

The Trust Loan Proceeds are proposed to be utilised in accordance with the details provided in the following table:

<i>(In ₹ million)</i>		
S. No.	Particulars	Amount
(i)	Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed from the MSPL Sponsor and certain external lenders and financial institutions, including any accrued interest	47,977.43

Trust Loan Agreement

Upon the Listing of the Units, Trust shall utilize the Fresh Issue Proceeds, as set out above, to provide loans to the Initial Portfolio Assets (“**Trust Loans**”) through facility agreements proposed to be entered into between the Trustee (on behalf of the Trust), the Investment Manager, and the Initial Portfolio Assets (the “**Trust Loan Agreements**”).

The key terms of the Trust Loan Agreements include:

Lender	Sustainable Energy Infra Trust (the “ Trust ”) acting through its trustee and/or through its Investment Manager (“ Lender ”).
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Nature of the debt	Unsecured Rupee Term Loan from the Trust to the Initial Portfolio Asset (the “ Trust Loan ”)
Transaction Documents/Financing Documents	<ol style="list-style-type: none"> 1. Loan agreement to be entered into between the Trustee (acting in its capacity as the Trustee, and on behalf of Sustainable Energy Infra Trust), the Investment Manager (acting in its capacity as the Investment Manager) and the Initial Portfolio Asset/Borrower (“Loan Agreement”); 2. Any other agreement in relation to the Trust Loan which is mutually designated by the Borrower and the Lender as a “Financing Document”.
Drawdown	<ol style="list-style-type: none"> 1. The Trust Loan shall be disbursed by the Lender to the relevant Initial Portfolio Asset upon receipt of written request from the relevant Initial Portfolio Asset in the format set out in the Loan Agreement by wire transfer/cheque of immediately available funds to the escrow account of the relevant Initial Portfolio Asset, the details of which shall be notified by the relevant Initial Portfolio Asset to the Investment Manager and the Trustee on the drawdown date. 2. The relevant Initial Portfolio Asset may make subsequent drawdown requests in writing to the Investment Manager (“Subsequent Drawdown”) up to the available limit of the Term Loan. However, the Subsequent Drawdown is not a binding obligation of the Lender and shall be at the sole discretion of the Investment Manager (on behalf of the Lender). Any Subsequent Drawdown would be notified to the Trustee by the Investment Manager. Further, any Subsequent Drawdown shall be on the terms and conditions as prescribed in the Loan Agreement, unless mutually agreed otherwise, in writing. 3. The Trust Loan may be drawn down in one or more tranches, at such intervals as may be agreed between the Trust and the relevant Initial Portfolio Assets.
Term	Until the date of termination of the power purchase agreements of the respective Initial Portfolio Assets.
Purpose	<ol style="list-style-type: none"> 1. Partial / full repayment and/or refinancing of the existing outstanding debts availed by the relevant Initial Portfolio Asset from Existing Lenders; 2. Funding of total project cost; 3. Construction of assets; and 4. General corporate purpose and working capital requirements.
Repayment	<p>The relevant Initial Portfolio Assets shall repay the principal amount to the Trust on such date(s) as may be agreed between the relevant Initial Portfolio Assets and the Trust, from time to time, as and when Surplus Cash (<i>as defined below</i>) is available at the relevant Initial Portfolio Assets, or in any case not later than the last day of the power purchase period (as defined in the power purchase agreements). (“Repayment Amounts”).</p> <p>“Surplus Cash” shall mean the cashflows which are available with the relevant Initial Portfolio Asset for upstreaming cashflows to the Trust for making payments as per the InvIT’s distribution policy.</p>
Prepayment	The relevant Initial Portfolio Asset may, at any time, during subsistence of this Trust Loan prepay the entire outstanding loan amount or any part thereof (without any prepayment penalty), subject to mutual agreement between the Trust and the relevant Initial Portfolio Asset.
Interest rate provisions	<ul style="list-style-type: none"> • The Trust Loan shall carry interest at 14% compound interest between the Trust and the relevant Initial Portfolio Assets (subject to a benchmarking report being obtained) and such interest shall accrue monthly (“Interest”). • Interest on the Trust Loan shall be due and payable, and the relevant Initial Portfolio Asset shall be required to make payment towards Interest to the maximum of the accrued interest subject to withholding of applicable taxes <i>only if</i> (a) on the interest payment date, Surplus Cash is available with the relevant Initial Portfolio Asset (which is available and permitted to be utilised towards payment of such Interest, without such utilisation being in or resulting in a breach of the financing documents) and (b) the Lender has sent a letter to the relevant Initial Portfolio Asset requesting it to make payment in full or in part.

	<ul style="list-style-type: none"> • For the purpose of calculating such Interest, a period of 365 days shall be considered per year. • The relevant Initial Portfolio Asset's inability to pay any portion of the accrued Interest and the Repayments Amount in accordance with the financing documents, due to the unavailability of Surplus Cash shall not be a default or an event of default in relation to the Trust Loan.
Condition Precedents to the Term Loan	<p>The obligations of the Lender to disburse the Term Loan shall be effective upon the receipt of all the following documents and other evidence by the Trustee:</p> <ol style="list-style-type: none"> 1. Execution of the Loan Agreement in a form and manner satisfactory to the Trustee; 2. A certified true copy of a resolution of the board of directors of the relevant Initial Portfolio Asset approving the terms of transactions contemplated by and execution of the financing documents; 3. A certified true copy of a resolution of the shareholders of the relevant Initial Portfolio Asset under Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013; 4. certificate from an independent chartered accountant in relation to the relevant Initial Portfolio Asset, certifying compliance of the relevant Initial Portfolio Asset with Section 180(1)(a) and Section 180(1)(c) of the Companies Act, 2013;
Conditions Subsequent to the Term Loan	<p>The following shall be conditions subsequent, the fulfilment of which forms the basis of the grant of the drawdown under the Trust Loan Agreements:</p> <ol style="list-style-type: none"> (a). The Borrower will repay its existing lenders within 1 working day from the drawdown date. (b). Any charge created for the existing debt will be released no later than the timelines, if any, as would be stipulated by the relevant lender for the debt financing at the Trust level.
Events of default	<p>The occurrence of any of the following events or circumstances shall constitute an event of default ("Event of Default"):</p> <ol style="list-style-type: none"> (a). any misrepresentation by the relevant Initial Portfolio Asset, which is not cured within a period of 30 (thirty) days from the date of such misrepresentation; (b). breach of covenants by the relevant Initial Portfolio Asset, which is not cured within a period of 30 (thirty) days from the date of such breach; (c). termination of the power purchase agreements and such ancillary project agreements, which may have a material adverse impact on the operations of the relevant Initial Portfolio Assets, entered into by the relevant Initial Portfolio Asset or the occurrence of a default thereunder; (d). cancellation of any material approvals/licenses/permits required to conduct the business operations of the relevant Initial Portfolio Asset; (e). any defaults in the payments, when due, to the Lender of any other amounts due and payable under this Trust Loan and which default is not cured within a period of 15 (fifteen) days from the date of such default (apart from inability to pay Interest and Repayment Amount due to unavailability of Surplus Cash); (f). an event of default (howsoever defined or described) occurs and is continuing under any financing documents; (g). an order for winding up, approval of a resolution plan, or initiation of insolvency or liquidation, or an order for appointment of a liquidator or insolvency resolution professional against the relevant Initial Portfolio Asset; (h). an application is made to the National Company Law Tribunal for initiation of the corporate insolvency resolution process against the relevant Initial Portfolio Asset; and (i). it is or becomes unlawful for the relevant Initial Portfolio Asset or any person to perform any of its obligations under the Trust Loan or any financing document.
Consequences of event of default	<p>If an event of default has occurred, the Trust (acting through the Trustee or Investment Manager), may exercise any one or more of the following rights, including but not limited to:</p> <ol style="list-style-type: none"> (a). acceleration of repayment of the Trust Loan by delivery of a written notice to the relevant Initial Portfolio Asset; (b). imposition of penal interest over the outstanding amounts payable by the relevant Initial Portfolio Asset; (c). conversion of debt into equity; and (d). declaring all outstanding amounts payable by the relevant Initial Portfolio Asset to be due and payable immediately.

	On receipt of notice of an event of default from the relevant Initial Portfolio Asset, the Trust may, at its discretion, decide to waive such an event of default.
Covenants	<p>Detailed terms of the Trust Loan shall include customary covenants, as more particularly set out under Financing Documents, such as the following:</p> <ol style="list-style-type: none"> (a). the Initial Portfolio Asset shall comply with all applicable laws and the project agreements; (b). the Initial Portfolio Asset shall have obtained and will obtain all approvals, licenses and registrations required to conduct business operations to the extent as may be required; (c). the Initial Portfolio Asset shall maintain of proper books and records and the Trust and/or the Investment Manager shall have a right to inspect the same; (d). the Initial Portfolio Asset shall not, without the prior written consent of the Trust and/or the Investment Manager, enter into any transaction to sell, transfer or otherwise dispose of any asset owned by the Initial Portfolio Asset; (e). the Initial Portfolio Asset shall not, without the prior written consent of the Trust and/or the Investment Manager, change or modify the terms of the project agreements in any manner; (f). the Initial Portfolio Asset shall at all times preserve and maintain its corporate existence, legal structure, legal name, rights and privileges; (g). Information covenants if any requested by the Trust. (h). The Initial Portfolio Asset shall not, without prior written consent of the Trust and/or the Investment Manager, issue fresh equity shares or undertake any forms of capital raising.
Security	Unsecured
Tax & Costs	<p>The relevant Initial Portfolio Asset shall:</p> <ul style="list-style-type: none"> • during the currency of the Trust Loan bear all such imposts, duties and taxes (including interest and other taxes, if any) as may be levied from time to time by any government authority, pertaining to or in respect of the Trust loan; and • reimburse the Trust for all costs and expenses, if any, incurred by them in connection with this Trust Loan, including but not limited to processing fees, legal, insurance, other lenders' advisors' fees, whether or not the Trust Loan proceeds to signing. The relevant Initial Portfolio Asset will also bear its own expenses. Any outstanding fee can be set-off against the proceeds of the first / applicable utilization. <p>The interest payments to be subject to withholding of taxes, if any.</p>
Governing Law	The financing documents shall be governed by Indian Law.

Leverage

In accordance with and subject to the InvIT Regulations, the provisions of the Trust Deed, and the borrowing policy adopted by the Investment Manager, the aggregate consolidated borrowings and deferred payments of the Trust may be up to 49% of the aggregate of the value of the InvIT Assets, subject to the conditions prescribed under Regulation 20 of the InvIT Regulations.

Post-Offer Indebtedness of the Trust

The post-Offer consolidated borrowings and deferred payments of the Trust will be formulated and approved by the Investment Manager in accordance with the Borrowing Policy. Upon full utilization of the Fresh Issue Proceeds, and drawdown of additional debt, the indebtedness and deferred payments of the Trust, net of cash and cash equivalents, on a consolidated basis, shall not exceed 49% of the aggregate value of the InvIT Assets, subject to any additional indebtedness incurred after listing of Units in accordance with applicable law.

Further, the Investment Manager has, pursuant to the term sheet dated August 10, 2023 proposed to avail credit facilities by the Trust (“**Axis Term Sheet**”). The indicative terms of such borrowings are:

Lender	Axis Bank Limited.
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Borrower	Sustainable Energy Infra Trust (the “ Borrower ”)
Amount	Total consolidated debt at Trust level shall not exceed ₹34,000.00 million post disbursement of the rupee term loan facility. The Borrower may take additional working capital of up to ₹1,500.00 million which is over and above the term loan amount.
Transaction Documents/Financing/Project documents	<ul style="list-style-type: none"> • Sanction letter. • Facility agreement • Security Trustee Agreement. • Deed of Hypothecation. • Deed of Accession to Amended and Restated Escrow Agreement. • Share Pledge Agreements and power of attorney or deed of accession to common trustee agreement for pledge. • Power Purchase Agreement (“PPA”) • Operation & Maintenance (“O&M”) contract. <p>Any additional documents suggested by the lenders’ legal counsel as transactional documents, such other documents as may be designated as financing documents by facility agent and such other documents as designated project documents in accordance with the Axis Term Sheet.</p>
Tenor	18 years
Repayment	The repayment shall be made in accordance with the schedule prescribed in the Axis Term Sheet.
Assignment / Transferability	The Lender shall have a right to freely sell down / syndicate / novate and / or assign, its entire or portion of the facility (as defined in the Axis Term Sheet) any time during the tenor of the loan at its sole discretion with prior intimation to the Borrower to other banks / financial institutions. Upon transfer, the transferee shall become a lender for all purposes of the facility and the facility shall be reduced to the extent of participation by other Lender(s) with no additional cost to the Borrower and no change in existing terms.
Use of proceeds	<ul style="list-style-type: none"> • Granting loans and advances in the current subsidiaries (as defined under the Axis Term Sheet) for repayment of loan in current subsidiaries level; • Towards meeting transaction expenses;
Prepayment	<ul style="list-style-type: none"> • The Borrower shall have the right to voluntarily prepay, in part or full, the outstanding loan and shall be liable to pay a pre-payment premium of @0.5% on the pre-paid amount, subject to certain conditions, amongst others, prepayment on every quarterly reset date, in case prepayment is affected at the instance of the lender, etc wherein the premium shall not be payable. • The Borrower shall be required to mandatorily prepay the loan, in full or part, as the context may require), without any prepayment premium, upon receipt of any of the following amounts, amongst others, expropriation proceeds, termination proceeds, any liquidated damages or warranty payments, if applicable, etc. and in accordance with the Axis Term Sheet.
Sponsors Undertakings	<p>The Sponsors shall give effect to the following, amongst others:</p> <ul style="list-style-type: none"> • Sponsors together shall hold minimum 15% Units in the Trust for initial 3 years. • Sponsors or their affiliates shall directly/indirectly hold at least 51% shareholding in Investment Manager and Project Manager during the facility tenor. The change in shareholding may be effected post approval of majority lenders and prepayment to dissenting lenders.
Interest rate provisions	<ul style="list-style-type: none"> • The applicable interest rate shall be mutually decided and payable monthly. • For the purpose of calculating such interest per annum, a period of 365 days shall be considered, irrespective of leap year.
Condition Precedents to Disbursements	<p>Disbursements shall be subject to the satisfaction of the following conditions precedents amongst others:</p> <ul style="list-style-type: none"> • Borrower and Subsidiaries are not in any financial difficulty as envisaged under the RBI guidelines on “Prudential Framework for Resolution of Stressed Assets” dated June 07, 2019. • The project is operational and has been generating power. • There is no delay in any debt servicing for at least last 3 months. • Each of the Subsidiary has a minimum credit rating investment grade.
Events of default	<p>Detailed terms of the term loan agreement shall include customary events of default, including, amongst others:</p> <ul style="list-style-type: none"> • non-payment by the Borrower of principal or interest or other amounts due under the Financing Documents

	<ul style="list-style-type: none"> • breach by the Borrower and/or any of its subsidiaries of the power purchase agreement; • any material representation or warranty under any of the transaction documents is incorrect • default by the Borrower under documents evidencing other financial debt/liabilities; • nationalization, confiscation, etc., of the assets of the Sponsor, Borrower and/or its Subsidiaries • failure by the Borrower and/or any of its Subsidiaries to maintain necessary authorizations • any of the security documents are terminated, revoked, declared void or repudiated without Lender’s consent or ceases to be in full force and effect; • any of the other transaction documents (except PPA) is terminated, revoked, declared void or repudiated without Lender’s consent or ceases to be in full force and effect and not cured within 45/60 day time period as agreed during documentation; • Insurance not in full force and effect; • Issuance of termination notice under any of the PPA; • Material adverse effect
Consequences of event of default	<p>If an event of default has occurred, the Lenders may exercise any one or more of the following rights, including but not limited to:</p> <ul style="list-style-type: none"> • Accelerate or part accelerate the maturity of the facility and declare all outstanding amounts payable by the Borrower in respect of the facility to be due and payable immediately • Sue for creditors’ process and/or exercise all or any rights with respect to the security in accordance with the financing documents including enforcement of security; • Declare the commitments to be cancelled or suspended • Draw on balances in the escrow accounts • Exercise any other right that Lenders have under any financing documents or project documents or transaction documents or under applicable law • Exercise one or more of the actions or rights available to secured creditors or their agents and trustees under the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 or other rights available under extant and applicable laws and regulatory guidelines • Appointment nominee directors / representative / observer on the board of Investment Manager and Subsidiaries • Lenders, Reserve Bank of India (“RBI”), the Credit Information Bureau (India) Limited (“CIBIL”) will have an unqualified right to disclose or publish the name of the Borrower and its Directors as defaulters in such manner and through such medium as the Lenders or RBI or CIBIL in their absolute discretion may think fit • cash sweep all the cash under the cash trap bucket • Any other recourse available under applicable law.
Covenants	<p>Detailed terms of the term loan agreement shall include customary positive and negative covenant, including, amongst others:</p> <ul style="list-style-type: none"> • maintain its existence, comply with constitutional documents and conduct business with due diligence and efficiency and follow sound business/industry practices; • apply the proceeds of the facility in accordance with the purpose; • maintain adequate accounting, management information and financial control systems; • Borrower to have a consolidated debt cap as per prevailing SEBI Guidelines; • pay taxes when due; • maintain a firm of independent auditors and authorize them to communicate with Lenders; • Pay dividends/redeem units other than as per restricted payment clause stipulated herein; • incur capital expenditures other than as required to carry out the Project or committed and essential operations of the Borrower or its Subsidiaries; • incur or maintain any debt other than as permitted under SEBI guidelines; • enter into any agreement or arrangement to lease any property or equipment of any kind except as in normal course of business contemplated under project documents; • guarantee or assume the liabilities of others; • create or permit liens (including on contractual rights);
Security	<p>First pari-passu charge (along with other current and future lenders of the Borrower) on the following to be created 120 calendar days from the date of initial disbursement:</p> <ul style="list-style-type: none"> • InvIT Escrow account; • Assignment of rights of the Borrower; • Rights/interests/ benefits/ claims etc. in project contract, project agreement, insurance contracts, policies etc;

	<ul style="list-style-type: none"> • Immoveable Assets, moveable assets and receivables of InvIT & existing project SPVs including but not limited to i) Interest and principal repayments of the loans advanced by InvIT to its Project SPV ii) dividends to be paid by the Project SPV's to InvIT; • Pledge of 51% shares of the borrower in each existing Project SPV(s) subject to compliance of Section 19(2) of Banking Regulations Act. Non-disposal undertaking by the Borrower on balance 49% of the shares of the existing Project SPVs held by the InvIT; • If stipulated by LLC, corporate guarantee of all the existing Project SPVs such that lender have full charge on the assets of the Project SPVs; <p>Right of first offer for working capital facilities will be with lenders who have provided financial assistance to Borrower and working capital facility shall be up to 90-120 days of receivables of the SPV.</p>
Tax	<p>All payments to be made by the Borrower under the facility will be made free and clear of all present and future taxes, levies, imports, duties, withholdings or deductions of any nature.</p> <p>In case of mandatory deductions that can be set off by the Lenders against their income tax liabilities, the Borrower shall deduct such amounts and provide a certificate towards the same.</p>
Governing Law	<p>The financing documents shall be governed by Indian Law or as may be mutually decided by the parties. However, the lenders reserve the right to approach any Court of a competent jurisdiction.</p>

**We propose to avail borrowings from Axis Bank Limited ("Axis Bank"). While Axis Bank is a promoter of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with promoter of the Trustee. The current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee.*

Status of lender consents

The Initial Portfolio Assets have availed debt from certain external lenders and financial institutions and consents from the respective lenders and financial institutions are required for and in connection with the Offer. As on the date of this Draft Placement Memorandum, the Initial Portfolio Assets have applied for consents from the relevant lenders in relation to the Offer. For further details, please see the section entitled "Risk Factors" on page 61.

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 a borrowing policy to outline the process for borrowing monies in relation to the Trust. For further details, please see the section entitled "Corporate Governance – Investment Manager – Policies of the Board of Directors of the Investment Manager in relation to the Trust – Borrowing Policy" on page 142.

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 Trustee, the Sponsors, the Investment Manager, the Placement Agents or any other person. Bidders are cautioned not to place undue reliance on these forward-looking statements that are stated only as at the date of this Draft Placement Memorandum. For details in relation to such forward-looking statements, please see the section entitled “Forward-Looking Statements” on page 16.

The net distributable cash flows of the Trust (the “**Distributable Income**”) are based on the cash flows generated from the underlying operations undertaken by the InvIT Assets. For details of the business and operations presently undertaken by the InvIT Assets, please see the section entitled “Our Business” on page 215. Presently, cash flows receivable by the Trust may be in the form of dividend, interest income or principal repayment received from the InvIT Assets in relation to any debt sanctioned by the Trust, or a combination of both.

In terms of the InvIT Regulations, not less than 90% of the net distributable cash flows of the Initial Portfolio Assets, shall be distributed to the Trust in proportion of its holding in such Initial Portfolio Assets, subject to applicable provisions in the Companies Act, 2013, as amended, and not less than 90% of the net distributable cash flows of the Trust shall be distributed to the Unitholders.

Further, in terms of the InvIT Regulations, with regard to distribution of net distributable cash flows by any Holding Company to the Trust, 100% of cash flows received by the Holding Company from underlying SPVs shall be distributed to the Trust (net of any expenses and applicable taxes including withholding taxes) 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.

Pursuant to the InvIT Regulations and the Distribution Policy, the Trust shall declare and distribute at least 90% of the Distributable Income to the Unitholders, at least once in every financial year. However, if any infrastructure asset is sold by the Trust or the Initial Portfolio Assets, or if the equity shares or interest in the Initial Portfolio Assets are sold by the Trust; if the Trust proposes to re-invest the sale proceeds into another infrastructure asset within one year, it shall not be required to distribute any sales proceeds to the Trust or to the Unitholders. Further, if the Trust proposes not to invest the sale proceeds into any other infrastructure asset within one year, it shall be required to distribute the same in the manner specified above. In accordance with the InvIT Regulations, distributions by 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. Any amount remaining unclaimed or unpaid out of the distributions declared by the Trust shall be transferred to the ‘Investor Protection and Education Fund’ constituted by SEBI, in such manner as may be specified by SEBI. For details on the risks relating to distribution, please see the section entitled “Risk Factors” on page 61.

Distribution Policy

Method of calculation of Distributable Income

The Distributable Income of Trust shall be calculated in accordance with the InvIT Regulations and any circular, notification or guidance issued thereunder. Presently, Trust proposes to calculate distributable income in the manner provided below:

a. Calculation of net distributable cash flows at each SPV level:

Description
Profit after tax as per Statement of profit and loss/ income and expenditure (standalone) (A)
Add: Depreciation, impairment and amortisation forming part of the profit after tax (in case of impairment reversal, same will be deducted).
Add / less: Decrease / Increase in working capital
Add: Interest (including interest on unpaid interest, if any) (or other similar payments) on loans availed from / debentures issued to the Trust, as per profit and loss account/ income and expenditure
Less: Capital expenditure, if any, as deemed necessary by the Investment Manager
Less: Investments* made in accordance with the investment objective, if any as deemed necessary by the Investment Manager
Add: Proceeds to Holding company from SPVs by means of capital reduction as may be permitted under applicable law
Add / Less: Receipt of adjustments / compensations on account of change in law, to the extent not recognized in profit and loss account
Add / less: Loss / gain on sale / transfer / disposal / liquidation of Infrastructure Assets, investments* or other assets forming part of the profit after tax above

Description
Add: Proceeds from sale / transfer / disposal / liquidation of Infrastructure Assets, investments* or other assets adjusted for the following: <ul style="list-style-type: none"> related debts settled or due to be settled from sale proceeds; directly attributable transaction costs (to the extent not included in the profit after tax above); proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Add: Proceeds from sale / transfer / disposal / liquidation of Infrastructure Assets, investments* or other assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently.
Add / less: Any other item of non-cash expense / non-cash income forming part of profit after tax above (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to <ul style="list-style-type: none"> any decrease/increase in carrying amount of an asset or a liability recognised in the statement of profit and loss/ income and expenditure on measurement of the asset or the liability at fair value; interest cost as per the effective interest rate method; deferred taxes; provisions; lease rents recognised on a straight-line basis, etc.
Less: Repayment of external debt (principal)/ redeemable preference shares/ debentures etc. if deemed necessary by the Investment Manager (excluding refinancing)
Less: Payment of any other liabilities (not covered under working capital or elsewhere in this statement.)
Add / Less: Net cash proceeds from / set aside in cash reserve accounts (viz. DSRA, minimum cash balance etc.) to comply with borrowing requirements
Add / Less: Drawl / Repayment of working capital facilities, if any
Add / Less: Any provision, reserve or adjustment deemed necessary by the Investment Manager for reasons including but not limited to expenses (including capital expenditure) / investments* / liabilities which may be due in the future or to ensure there is no double counting of the same item in the above calculations
Total Adjustments (B)
Net Distributable Cash Flows (C) = (A+B)

* Includes investments made in accordance with investment objective but excluding investment made as per cash management policy. For example, investment in fixed deposits, mutual funds etc, as deemed necessary by the Investment Manager.

b. Calculation of net distributable cash flows at the consolidated Trust level:

Description
Profit after tax as per statement of profit and loss/ income and expenditure (standalone) (A)
Add: Depreciation, impairment and amortisation forming part of profit after tax above (in case of impairment reversal, same will be deducted)
Add / less: Decrease / Increase in working capital
Add / Less: Drawl / Repayment of working capital facilities, if any
Less: Interest income (including interest on unpaid interest, if any) (or other similar payments) on loans given to SPVs / debentures issued by SPVs, as per profit and loss account/ income and expenditure.
Add: Cash flows received from the SPVs in the form of interest or similar payments (net of applicable taxes, if any)
Add: Proceeds from repayment by SPVs of loans given to SPVs by the Trust and of debentures issued by the SPVs to the Trust or by means of capital reduction as may be permitted under applicable law.
Add / less: Loss / gain recognised on sale / transfer / disposal / liquidation of infrastructure assets or equity shares or interest in SPVs or investments* or other assets forming part of profit after tax above.
Less: Investment in infrastructure assets or equity shares or interest in SPVs or investments* or other assets or lending to SPVs by the Trust except funded from issuance of unit, as deemed necessary by the Investment Manager
Add: Proceeds from sale / transfer / disposal / liquidation of infrastructure assets or equity shares or interest in SPVs or investments* or other assets adjusted for the following: <ul style="list-style-type: none"> related debts settled or due to be settled from sale proceeds; directly attributable transaction costs (to the extent not included in profit after tax above); proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Add: Proceeds from sale / transfer / disposal / liquidation of infrastructure assets or equity shares or interest in SPVs or investments* or other assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently.
Less: Capital expenditure of the Trust (standalone), if any, as deemed necessary by the Investment Manager
Add / less: Any other item of non-cash expense / non-cash income forming part of profit after tax above (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to <ul style="list-style-type: none"> any decrease/increase in carrying amount of an asset or a liability recognised in the statement of profit and loss/ income and expenditure on measurement of the asset or the liability at fair value; interest cost as per the effective interest rate method; deferred taxes;

<ul style="list-style-type: none"> • provisions; • lease rents recognised on a straight-line basis, etc.
Less/Add: Net cash set aside (i) to comply with minimum cash requirements or reserve requirements under the loan agreements (including but not limited to DSRA) adjusted for amount released from such minimum cash balances or reserves, and/or (ii) on a prudential basis for repayments of borrowings etc., as appropriate.
Less: Repayment of external debt (principal)/ debentures, etc., if deemed necessary by the Investment Manager, (excluding refinancing)
Add / Less: Any provision, reserve or adjustment deemed necessary by the Investment Manager for reasons including but not limited to expenses (including capital expenditure)/ investments* / liabilities of the SPVs and/or the InvIT which may be due in the future or to ensure there is no double counting of the same item in the above calculations.
Less: Payment of any other liabilities (not covered under working capital or elsewhere in this statement.)
Total Adjustments (B)
Net Distributable Cash Flows (C) = (A+B)

* Includes investment made in accordance with investment objective but excluding investment made as per cash management policy. For example investment in fixed deposits, mutual funds etc., as deemed necessary by the Investment Manager

For the purpose of calculation of the Distributable Income, the cash flows of the Trust shall be classified in two parts:

- (i). dividend, interest, treasury income and capital gains of the Trust (“**Income Bucket A**”). All expenditures of the Trust (including, amongst others interest expenses and fees payable to the Investment Manager, the “**Expenditures**”), shall be paid out of Income Bucket A, proportionately towards various income streams. However, where a direct nexus can be established between certain expenses/payments and a specific stream of income of Income Bucket A then such expenses shall be allocated to that stream of income on actual basis; and
- (ii). capital repayments to the Trust (“**Income Bucket B**”). Any capital outflows (including, amongst other, principal repayments by the Trust on its borrowings and capital infusions into the Initial Portfolio Assets, the “**Capital Outflows**”) shall be paid out of Income Bucket B. In case any expenses/payments are directly attributable to this bucket, then the same can be reduced directly from this bucket.

In the event the cash flows in Income Bucket A are not sufficient to meet the Expenditures set out above, such Expenditures shall be paid of Income Bucket B. Similarly, in the event the cash flows in Income Bucket B are not sufficient to meet the Capital Outflows set out above, such Capital Outflows shall be paid of Income Bucket A. The Distributable Income calculated on basis of Income Bucket A shall be further classified as interest, dividend, gains, other income in the ratio of the inflows.

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, whichever is lower, 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.

Amendment

- (i). Any amendment or variation to the distribution policy shall be subject to receipt of 60% approval from the Unitholders (present and voting) of the Trust, unless otherwise required by any governmental, statutory or regulatory authority.
- (ii). Notwithstanding the above, the distribution 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 of the Trust.

For risks in relation to distribution, please see the section entitled “*Risk Factors*” on page 61.

DISCUSSION AND ANALYSIS BY THE DIRECTORS OF THE INVESTMENT MANAGER OF THE FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS OF THE INITIAL PORTFOLIO ASSETS OF THE TRUST

You should read the following discussion and analysis of our financial condition, results of operations and cash flows in conjunction with the sections entitled “Summary Combined Financial Statements” on page 27 and “Audited Special Purpose Combined Financial Statements” as Annexure A, respectively. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled “Risk Factors” on page 61. 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 entitled “Forward-Looking Statements” on page 16.

The Audited Special Purpose Combined Financial Statements are prepared in accordance with Ind AS, which differs in certain respects from Indian GAAP, International Financial Reporting Standards and U.S. GAAP. Our fiscal year ends on March 31 of each year, and references to a particular fiscal are to the twelve-month period ended March 31 of that year. For the sole purposes of the Audited Special Purpose Combined Financial Statements, references to “we”, “us” and “our” is to the Initial Portfolio Assets on a combined basis.

Overview

Sustainable Energy Infra Trust (“SEIT” or “Trust”), is an Indian infrastructure investment trust, sponsored by 2726522 Ontario Limited (a 100% subsidiary of the Ontario Teachers’ Pension Plan Board (“OTPPB”) and Mahindra Susten Private Limited. According to the CRISIL Report, with entire capacity of the MSPL Sponsor proposed to be part of the proposed Trust, it would become the Indian InvIT with the largest renewable energy portfolio. The Sponsors established the Trust on July 20, 2023 and the Trust was registered with SEBI on August 11, 2023 as an InvIT in accordance with the InvIT Regulations. The Trust proposes to have a focus on investment in renewable energy projects.

The Trust, subject to receipt of certain approvals, will directly or indirectly hold 100.00% equity interest in the six Initial Portfolio Assets (including BREPL, ASPL and NSPL, which are currently held by MRPL), which shall collectively hold eight renewable energy projects (“Projects”). The Initial Portfolio Assets are currently directly or indirectly held by the MSPL Sponsor and other shareholders. The Projects have an aggregate capacity of 1.54 GWp and are located across five states in India with operating histories of approximately one to seven years. Each of the Initial Portfolio Assets have entered into long term power purchase agreements (“PPAs”) with approximately 96% by DC capacity of the PPAs having been entered into with counterparties which are backed by the Central Government and Madhya Pradesh Power Management Company Limited (“MPPMCL”) and Delhi Metro Rail Corporation Limited (“DMRC”). As on March 31, 2023, the weighted average residual term of the PPAs, calculated using DC capacity, is approximately 22.69 years and the Projects may have further life of approximately 10 years after expiry of the PPAs.

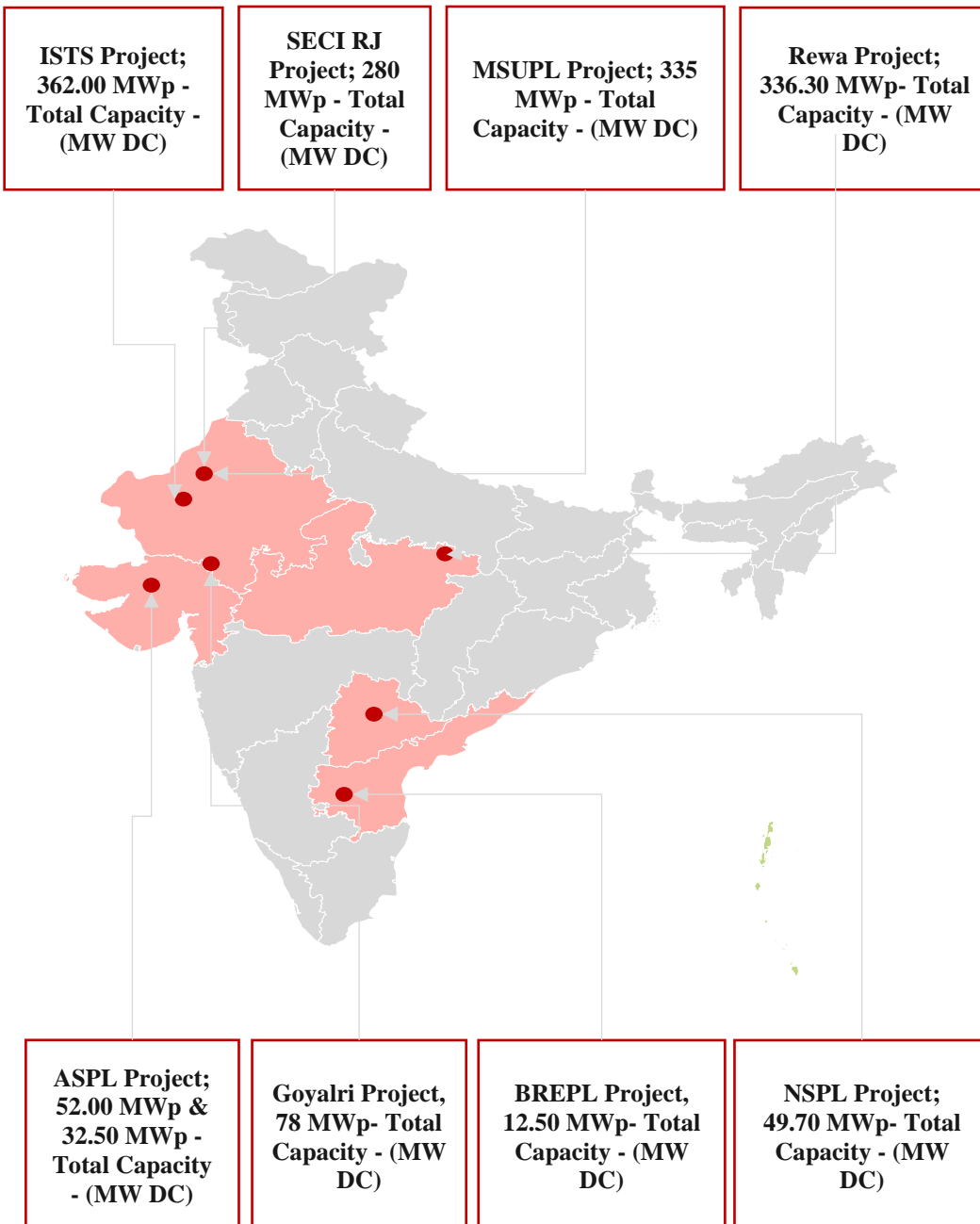
A brief description of the Projects held by our Initial Portfolio Assets and a map illustrating the locations of the Projects have been set out below:

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Total Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)
ASPL Project	Gujarat	April 30, 2017	40.00	52.00	4.43	Solar Energy Corporation of India Limited (“SECI”)	25
	Gujarat	July 2, 2017	25.00	32.50	4.43	SECI	25
BREPL Project	Andhra Pradesh	January 5, 2016	10.00	12.50	5.99 ⁽¹⁾	Southern Power Distribution Company of Andhra Pradesh Limited (“APSPDCL”)	25
ISTS Project	Rajasthan	October 29, 2021 ⁽²⁾	250.00	362.00	2.53	SECI	25
Rewa Project	Madhya Pradesh	January 3, 2020	250.00	336.30	2.979 ⁽³⁾	MPPMCL and DMRC	25
Goyalri Project	Rajasthan	April 30, 2017	60.00	78.00	4.35	National Thermal Power Corporation Limited (“NTPC”)	25
SECI RJ Project	Rajasthan	October 14, 2021 ⁽⁴⁾	200.00	280.00	2.50	SECI	25

Project Name	State	Commercial Operations Date	Contracted Capacity (MW AC)	Total Capacity (MW DC)	Tariff (₹/ kWh)	Off-taker	Duration of PPA (years)
MSUPL Project	Rajasthan	June 17, 2022 ⁽⁵⁾	250.00	335.00	2.54	SECI	25
NSPL Project	Telangana	November 6, 2017	42.00	49.70	5.59	Northern Power Distribution Company of Telangana Limited (“TSNPDCL”)	25

- (1). ₹ 5.99 / KWh with yearly escalation of 3% till the 10th year
- (2). COD is October 15, 2021, however, the amended scheduled commercial operations date is October 29, 2021
- (3). +₹ 5 paise yearly escalation from the 2nd to the 16th year
- (4). COD is October 14, 2021, however the SCOD is December 1, 2021
- (5). COD is June 17, 2022, however, the SCOD is June 29, 2022

For further details in relation to the Initial Portfolio Assets, please see the section entitled “Summary of Power Purchase Agreements” on page 238.



Note: Map not drawn to scale.

The revenue from operations of the Initial Portfolio Assets on a combined basis for the Financial Years ending March 31, 2023, March 31, 2022, and March 31, 2021 was ₹7,343.19 million, ₹5,205.37 million, and ₹3,265.94 million respectively. The table below sets forth the key financial and operational indicators in relation to the Initial Portfolio Assets on a combined basis for the periods indicated:

₹ in millions, except percentage

Particulars	As of/for the year ended March 31, 2021	As of/for the year ended March 31, 2022	As of/for the year ended March 31, 2023
Revenue from operations	3,265.94	5,205.37	7,343.19
Other income	82.53	127.75	306.86
EBITDA*	2,924.58	4,433.68	6,216.29
EBITDA Margin %	89.55%	85.18%	84.65%

* EBITDA is calculated as Profit Before Tax and Exceptional Items + Depreciation and Amortisation + Finance Cost – Interest Income

For further details please see the section entitled “Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust” on page 273.

According to the CRISIL Report, the potential of solar energy in India is high, there exist a few challenges, which are critical to achieving rapid growth of solar power. Pursuant to the ‘right of first offer agreement’ to be entered into between the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors (the “**ROFO Agreement**”), the Trust has a ‘right of first offer’ to acquire projects developed by the MSPL Sponsor for a period starting 180 days from the Listing Date until nine years from the Listing Date. Additionally, the Investment Manager has, on behalf of the Trust, adopted an Acquisition Policy which governs the acquisition of assets from third parties. For further details on the ROFO Agreement, please see sections entitled “Related Party Transactions” and “Corporate Governance” on pages 295 and 137.

The OTPP Sponsor is a 100% subsidiary of OTPPB. OTPPB is the largest single-profession pension plan in Canada with net assets of C\$249.8 billion as at June 30, 2023. OTPPB has extensive experience in originating, structuring and actively managing infrastructure investments in India in recent years, such as its recent 30% investment in the MSPL Sponsor in 2022, its investment of up to US\$175 million in the infrastructure investment trust Highways Infrastructure Trust, in 2022, its investment of C\$ 308 million in National Highways Infra Trust across 2021 and 2022 and its US\$250 million commitment to the National Investment & Infrastructure Fund in 2019.

The MSPL Sponsor is Mahindra Group’s renewable energy platform, which includes one of the leading renewable engineering, procurement and construction (“**EPC**”) businesses (capacity constructed of over 4.5 GWp), an independent power producer (“**IPP**”) business with around 1.54 GWp of operational solar plants spread across several states in India, and plan to have a significant solar development pipeline. The IPP solar portfolio is spread across 5 key states in India and is backed by long-term power purchase agreements. Approximately 96% of the MSPL Sponsor’s assets are backed by Central Government and Madhya Pradesh Power Management Company Limited (“**MPPMCL**”) and Delhi Metro Rail Corporation Limited (“**DMRC**”). Besides its own in-house management team with extensive capabilities across both EPC and IPP domains, the MSPL Sponsor also benefits from solar plant operations and maintenance services and other technical expertise of Mahindra Teqo Private Limited.

The Mahindra Group is one of the largest and most admired multinational federation of companies with 260,000 employees in over 100 countries. The Mahindra Group has a strong presence in renewable energy, agriculture, logistics, hospitality and real estate and has a clear focus on leading ESG globally, enabling rural prosperity and enhancing urban living.

The Trustee, Axis Trustee Services Limited is a trusteeship company which has been registered with SEBI as a debenture trustee under the SEBI Debenture Trustee Regulations since January 31, 2014. The Investment Manager of the Trust is Sustainable Energy Infra Investment Managers Private Limited and the Project Manager of the Trust is Green Energy Infra Project Managers Private Limited. The Investment Manager and Project Manager of the Trust will manage the Trust’s and the Initial Portfolio Assets’ businesses. For further details, please see the section entitled “Our Business – Operations and Maintenance” on page 235.

For further details of the Sponsors, the Investment Manager, the Project Manager and the Trustee, please see the section entitled “Parties to the Trust” on page 102.

Factors Affecting Results of Operations

The Initial Portfolio Assets’ business, prospects, results of operations and financial condition are affected by a number of factors, including the following key factors:

- **weather conditions, seasonal fluctuations and natural calamities:** The revenues generated by our Projects are proportional to the amount of electricity generated, which in turn is dependent upon prevailing weather conditions and the profitability of our operations depend not only on observed weather conditions at the project site but also on the consistency of those weather conditions;
- **limited flexibility in negotiating tariffs with the counter-parties to our Power Purchase Agreements:** We have acquired the rights to develop and generate power from new projects through a competitive bidding process, in which we compete for project awards based on, among other things, pricing, technical and engineering expertise, financial conditions, including specified minimum net worth criteria, financing capabilities and track record. The Power Purchase Agreements executed by us have a pre-determined tariff structure, with escalations specifically set out in the Power Purchase Agreements only in some instances and we had a limited ability to negotiate the terms of such Power Purchase Agreements. For further details, please see the sections entitled “*Our Business*” and “*Summary of Power Purchase Agreements*” on page 215 and 238.
- **reliance on certain off-takers:** The Initial Portfolio Assets have entered into Power Purchase Agreement with off-takers, including SECI, APSPDCL, MPPMCL, DMRC, NTPC and TSNPDCL. Each of the Initial Portfolio Assets have entered into long term PPAs with approximately 96% by DC capacity of the PPAs entered into with counterparties which are backed by the Central Government, MPPMCL and DMRC. As per the CRISIL Report, Since, commissioning activity has been concentrated in the key states of Rajasthan and Gujarat, there is a limited number of purchasers of utility scale quantities of electricity under the long-term Power Purchase Agreements, which exposes us to purchaser concentration risk. Further, we expect that we will continue to be reliant on certain off-takers such as SECI, NTPC, NHPC an SJVN for the renewable energy projects for the foreseeable future. Accordingly, any failure to maintain our relationship with these off-takers or expiry or termination of the Power Purchase Agreements and/or negotiate and execute renewed Power Purchase Agreements on terms that are commercially viable, with the off-takers, could have an impact on our financial condition and our growth prospects.

Basis of Preparation and Presentation of Audited Special Purpose Combined Financial Statements

1.1 Purpose and Basis of preparation of the Special Purpose Combined Financial Statements.

The Special Purpose Combined Financial Statements of the Proposed Trust Group comprise the Combined Balance Sheets as at March 31, 2023, March 31, 2022 and March 31, 2021, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statements, the Combined Statements of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, and a summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Special Purpose Combined Financial Statements").

The Special Purpose Combined Financial Statements of the Proposed Trust Group were approved by the Board of Directors of the Investment Manager and authorised for issuance by Investment Manager in their meeting held on 25th September 2023 authorized for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 25th September 2023.

The Special Purpose Combined Financial Statements have been prepared in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India (“ICAI”) (the “Guidance Notes”) using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 (“Ind AS”), as amended and other generally accepted accounting principles and other relevant provisions relating to disclosures requirement as per the SEBI InvIT Regulations.

The Special Purpose Combined Financial Statements have been prepared by applying consistent accounting policies mentioned in subsequent paragraphs.

The Special Purpose Combined Financial Statements have been prepared by the Investment manager to meet the requirements of the SEBI InvIT Regulations, for the purpose of inclusion in the Draft Placement Memorandum prepared by the Investment Manager in connection with the proposed issue of units by the InvIT on private placement basis to be listed on National Stock Exchange of India Limited. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the requirements of Schedule III notified under the Companies Act, 2013 are not applicable to these Special Purpose Combined Financial Statements and hence these financial statements are not prepared in accordance with those requirements.

In accordance with the requirements of the SEBI InvIT Regulations, since the Trust is newly set up on 11th August 2023 and has been in existence for a period lesser than three completed financial years, the Special Purpose Combined

Financial Statements are prepared based on an assumption that all the SPVs were part of Trust for such period when the Trust was not in existence i.e. for the entire portion of the reporting period of three years i.e. years ended March 31, 2023, March 31, 2022 and March 31, 2021. However, the Special Purpose Combined Financial Statements may not be representative of the position which may prevail after the SPVs are transferred to the Trust.

These Special Purpose Combined Financial Statements have been prepared considering the underlying historical financial information of the SPVs in the Proposed Trust Group and not using the accounting principle required to be followed as per Ind AS 103 “Business Combination”. However, the SPVs under the Proposed Trust Group will be accounted as per the requirements of Ind AS 103 “Business Combination” on the actual date of acquisition by the Trust on a future date. Accordingly, the Special Purpose Combined Financial Statements may not be representative of the actual financial position, financial performance including other comprehensive income, cash flows and changes in equity which may prevail after the SPVs under the Proposed Trust Group is acquired by the Trust.

The Special Purpose Combined Financial Statements are presented in India Rupees which is also the functional currency of the SPVs. All values are rounded to the nearest millions, unless otherwise indicated. These Special Purpose Combined Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value.

Basis of Combination

The Special Purpose Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year.

The procedure for preparing Combined Financial Statements of the Proposed Trust Group are stated below –

- a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the SPVs.
- b) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Proposed Trust Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets, are eliminated in full). Ind AS 12 “Income Taxes” applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transaction.

Name of the Entity	Date of incorporation	Element	Commercial operation of the date of element
ASPL	14-10-2015	ASPL (40 MW)	30-04-2017
		ASPL (25 MW)	02-07-2017
NSPL	01-07-2015	NSPL	06-11-2017
BREPL*	03-12-2013	BREPL	05-01-2016
MSUPL	12-01-2012	MSUPL	17-06-2022
MRPL	26-07-2010	REWA	03-01-2020
		ISTS-1	29-10-2021
ESPL**	09-11-2022	SECI-RJ	14-10-2021
		Goyalari	30-04-2017

*BREPL was a joint venture between Megasolis Renewables Private Limited (“MRPL”) and Trina Solar (Singapore) Third Pte Limited (“TSTPT”). During the financial year 2021-2022, MRPL acquired entire share of TSTPT and hence it became a fully owned subsidiary for MRPL from Financial year 2021-2022. For financial year 2020-2021, we have eliminated MRPL’s share (51%) from Capital and Securities Premium and for financial year 2021-2022 Capital and Securities Premium have been eliminated upon line-by-line consolidation of BREPL.

**Allocation of Assets, Liabilities, Income and Expenses.

Specific Assets, Liabilities, Income and Expenses for SECI plant and Goyalari plant from the Audited Financial Statements for FY 2020-2021, FY 2021-2022, and FY 2022-23 of Mahindra Susten Pvt Ltd which are specifically allocable to SECI plant and Goyalari Plant have been identified and allocated. Further, certain common expenses have been allocated to the SECI and Goyalari basis employee allocation percentage pre-determined as appropriate by the management.

Merger Reserve

In the given scenario merger reserve is created on account of transfer of SECI plant and Goyalari plant to Emergent Solren Private Limited and amount adjusted on sale of 183Kw plant from Megasolis Renewables Private Limited and preparing carved out financial statements – the difference between the assets and liabilities in the opening balance

sheet shall be parked as part of a Merger Reserve as it is not a free reserve and hence shall be presented separately from the other Reserves.

Branch Accounting

Emergent Solren Private Limited has been treated as a Branch and Mahindra Susten Private Limited has been treated as Head office. All the transactions between Emergent Solren Private Limited and Mahindra Susten Private Limited have been accounted as per Branch Accounting and the resulting balances have been shown as Inter-company receivable and Inter-company payable in the respective year.

Current Tax and Deferred Tax Balances

For current tax and deferred tax we have treated Emergent Solren Private Limited as a separate legal entity and have calculated tax accordingly.

1.2 Significant Accounting Policies and Accounting Judgments and Estimates.

a) Use of estimates and judgments

In applying the Proposed Trust Group's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment as at year ended 31st March 2023, 31st March 2022 and 31st March 2021 are as follows:

(i) *Recoverability of deferred tax assets:*

In determining the recoverability of deferred income tax assets, the Proposed Trust Group primarily considers the current and expected profitability of the company and their ability to utilise tax assets. The Proposed Trust Group reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) *Impairment losses on financial assets:*

The Proposed Trust Group reviews its financial assets to assess impairment at regular intervals. The Proposed Trust Group's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Proposed Trust Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Proposed Trust Group uses the previous year's impairment loss as allowance on the portfolio of trade receivables. At the reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) during the period is recognized as other expense in the Statement of Profit and Loss.

(iii) *Estimation of provisions and contingencies:*

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Proposed Trust Group. The Proposed Trust Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from the originally estimated provision.

(iv) *Useful lives of property, plant and equipment:*

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

b) Revenue Recognition:

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Proposed Trust Group expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation by the Proposed Trust Group. The Proposed Trust Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Proposed Trust Group has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Proposed Trust Group is:

i. *Sales of Solar Power*

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

ii. *Interest Income*

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Proposed Trust Group and the amount of income can be measured reliably.

iii. *Verified Carbon Unit (VCU)*

The Proposed Trust Group accrues carbon emission reduction income in the period when it is reasonably certain that the Proposed Trust Group will be able to comply with the conditions necessary to obtain such carbon emission reduction.

iv. *Proceeds under change in law:*

As per term of power purchase agreement (PPA), the Proposed Trust Group has right to claim safeguard duty and GST under change in law clause. Such revenue is recognised over the tenure of the PPA once such claim is agreed by the customers and there is no uncertainty regarding ultimate collection of safeguard duty income.

v. *Amortization of deferred income (Viability Gap Funding):*

Government grants are recognized as a financial asset in the balance sheet as Viability Gap Funding ('VGF'). VGF is recognized as income over 25 years (i.e., useful life of the project). The grant received has a condition attached to it which specifies that if the project fails to generate any power continuously for 1 year anytime during the term of PPA, it will be treated as an event of default and termination. The SPV has fulfilled all the conditions as mentioned in the grant agreement.

c) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current.

An asset is treated as current when it is either:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Proposed Trust Group's normal operating cycle; or
- (ii) it is expected to be realised within twelve months from the reporting date; or
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

All other assets are classified as non-current.

A liability is current when:

- (i) it is expected to be settled in the Proposed Trust Group's normal operating cycle; or
- (ii) it is due to be settled within twelve months from the reporting date; or
- (iii) it is held primarily for the purposes of being traded; or
- (iv) the Proposed Trust Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

The Proposed Trust Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Proposed Trust Group has identified twelve months as its operating cycle.

d) **Property plant and equipment and Intangible Assets:**

(i) *Property plant and equipment:*

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – freehold	25 Years

The Proposed Trust Group recognises right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
Land	25 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) *Capital work in progress and Capital advances:*

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) *Impairment:*

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Proposed Trust Group makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) **Borrowing Costs**

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f) **Foreign Currency:**

Foreign currency transactions

Initial Recognition

The Proposed Trust Group's financial statements are presented in Indian Rupee, which is also the Proposed Trust Group's functional currency. All transactions that are not denominated in the Proposed Trust Group's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

Foreign operations.

The assets and liabilities of foreign operations (branches) are translated into INR, the functional currency of the Proposed Trust Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

g) **Fair value measurement**

The Proposed Trust Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- (i) In the principal market for the asset or liability, or
- (ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Proposed Trust Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Proposed Trust Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- (i) Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- (ii) Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- (iii) Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Proposed Trust Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h) Derivative financial instruments

The Proposed Trust Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

i) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in Statement of Profit and Loss.

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. The cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Proposed Trust Group's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Proposed Trust Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Proposed Trust Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Proposed Trust Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Proposed Trust Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Proposed Trust Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Financial Assets and Financial Liabilities:

Financial assets and financial liabilities are recognised when the Proposed Trust Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the “Other income” line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Proposed Trust Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the ‘Other income’ line item. Dividend on financial assets at FVTPL is recognised when the Proposed Trust Group’s right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Proposed Trust Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Proposed Trust Group follows ‘simplified approach’ for recognition of impairment loss allowance on Trade Receivable.

The application of simplified approach does not require the Proposed Trust Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Proposed Trust 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 recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Proposed Trust Group in accordance with the contract/agreement and all the cash flows that the Proposed Trust Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Proposed Trust Group estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. As a practical expedient, the Proposed Trust Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below.

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Proposed Trust Group does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Proposed Trust Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Proposed Trust Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

(ii) *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Proposed Trust Group derecognises financial liabilities when, and only when, the Proposed Trust Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Proposed Trust Group enters into a derivative financial instrument to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Unit

The number of units that the trust will issue to investor is not presently ascertainable. Hence the disclosures in respect of Earnings per unit is not given.

o) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

p) Leases

The Proposed Trust Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Proposed Trust Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Proposed Trust Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Proposed Trust Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for a similar term is used. The Proposed Trust Group has not recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Proposed Trust Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

As a lessee

The Proposed Trust Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

s) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 | Presentation of Financial Statements – The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 | Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a “change in accounting estimates” has been replaced with a definition of “accounting estimates”. Accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

Principal Components of Combined Statement of Profit and Loss

Income

Our total income consists of revenue from operations and other income.

Revenue from operations

Revenue from operations primarily comprises revenue from sale of solar power, deviation settlement mechanism charges, safeguard duty income, sale of verified carbon unit (“VCU”) and GST refund income.

- **Revenue from sale of solar power:** Revenue from sale of solar power represents revenue collected by the Initial Portfolio Assets as per the respective power purchase agreements. Our revenue from sale of solar power primarily consists of revenue generated as per agreed terms with off-takers under respective power purchase agreements entered by the Initial Portfolio Assets.
- **Other operating revenue:** Other operating revenue primarily consists of the revenue from (i) charges imposed on deviation settlement mechanism, (ii) sale of VCU, and (iii) imposition of safeguard duty.

Other income

Other income primarily consists of interest income, which comprises interest financial assets at amortised cost and on safeguard duty receivable, insurance proceeds, gain on foreign currency transactions net off derivative, interest on income tax refund and amortisation of deferred income.

Expenses

Our expenses consist of finance costs, depreciation and amortization expense, and other expenses.

- **Finance costs:** Finance costs primarily comprise interest on expense, bank and financial charges, borrowing costs, interest on unwinding on lease liability, interest on loan from related party, discounting of long term financial assets on interest on late payment on income tax.
- **Depreciation and amortization expenses:** Depreciation and amortization expenses include depreciation on property, plant and equipment and amortization of right-in-use assets.
- **Other expenses:** Other expenses primarily comprise, amongst others, operation and maintenance charges, repairs and maintenance of machinery, legal and other professional services, insurance cost and other expenses.

Result of Operations basis the Audited Special Purpose Combined Financial Statements

The following table sets forth certain information with respect to the results of operations of the Initial Portfolio Assets for the periods indicated:

Particulars	March 31, 2023 (in ₹ million)	Percentage of Total Income	March 31, 2022 (in ₹ million)	Percentage of Total Income	March 31, 2021 (in ₹ million)	Percentage of Total Income
I. Revenue from operations	7,343.19	95.99%	5,205.37	97.60%	3,265.94	97.54%
II. Other income	306.86	4.01%	127.75	2.40%	82.53	2.46%
III. Total Income (I + II)	7,650.05	100.00%	5,333.12	100.00%	3,348.47	100.00%
IV. Expenses						
Employee benefits expenses	20.93	0.27%	8.89	0.17%	4.60	0.14%
Finance cost	3,491.96	45.65%	2,354.81	44.15%	1,872.93	55.93%
Depreciation and amortization expense	2,041.17	26.68%	1,369.58	25.68%	1,298.80	38.79%
Other expenses	1,150.41	15.04%	789.12	14.80%	363.08	10.84%
Total expenses	6,704.47	87.64%	4,522.40	84.80%	3,539.41	105.70%
Profit/ (Loss) before exceptional gain and tax	945.58	12.36%	810.72	15.20%	(190.94)	(5.70)%
Add: Exceptional gain	-	-	-	-	484.28	14.46%
V. Profit before tax (III – IV)	945.58	12.36%	810.72	15.20%	293.34	8.76%
VI. Tax expense/ (income):	163.72	2.14%	165.32	3.10%	(124.45)	(3.72)%
(a) Current tax	39.34	0.51%	42.50	0.80%	37.09	1.11%
(ii) Deferred tax charge/(credit)	124.38	1.63%	122.82	2.30%	(161.54)	(4.82)%
Profit for the year (V – VI)	781.86	10.22%	645.40	12.10%	417.79	12.48%

Financial year ended March 31, 2023 compared to financial year ended March 31, 2022

Total Income

Total income increased by 43.44% from ₹ 5,333.12 million in Fiscal 2022 to ₹ 7,650.05 million in Fiscal 2023, primarily due to income received from the sale of solar power to the off-takers in accordance with the terms of the relevant power purchase agreements and increase in other income.

Revenue from operations

Revenue from operations increased by 41.07% from ₹ 5,205.37 million for Fiscal 2022 to ₹ 7,343.19 million for Fiscal 2023, on account of addition of the ISTS Project, increase in units generated and primarily due income received from the sale of solar power to the off-takers in accordance with the terms of the relevant power purchase agreements.

Sale of solar power

Income from sale of solar power increased by 51.52%, from ₹ 4,711.71 million for Fiscal 2022 to ₹ 7,138.95 million for Fiscal 2023 on account of addition of the MSUPL Project, ISTS Project and SECI RJ Project, pursuant to which the revenue generated by these Projects were collected for the entire Fiscal 2023.

Other income

Other income increased by 140.21% from ₹ 127.75 million for Fiscal 2022 to ₹ 306.86 million for Fiscal 2023, primarily on account of interest income on financial assets at amortised cost and interest income on safeguard duty receivables.

Total Expenses

Total expenses increased by 48.25% from ₹ 4,522.40 million for Fiscal 2022 to ₹ 6,704.47 million for Fiscal 2023, on account of increase in the depreciation and amortization expense, financial costs and other expenses.

Employee Benefit Costs

Employee benefit costs increased by 135.42% from ₹ 8.89 million for Fiscal 2022 to ₹ 20.93 million for Fiscal 2023, on account of, amongst others, increase in salaries and wages, contribution to provident funds and other funds and staff welfare expenses.

Finance costs

Finance costs increased by 48.29% from ₹ 2,354.81 million for Fiscal 2022 to ₹ 3,491.96 million for Fiscal 2023, primarily attributable to increase in borrowings, increase in interest rates on outstanding borrowing.

Depreciation and Amortization Expense

Depreciation and amortization increased by 49.04% from ₹ 1,369.58 million for Fiscal 2022 to ₹ 2,041.17 million for Fiscal 2023, on account of addition of the MSUPL Project, which is in normal course of business and operations.

Other expenses

Other expenses increased by 45.78% from ₹ 789.12 million for Fiscal 2022 to ₹ 1,150.41 million for Fiscal 2023, on account of addition of the ISTS Project, primarily due to increase in operation and maintenance charges, insurance expenses, legal and professional fees, and repairs and maintenance of machinery.

Profit before tax

As a result of the factors outlined above, our profit before tax increased by 16.63% from ₹ 810.72 million for Fiscal 2022 to ₹ 945.58 million for Fiscal 2023.

Profit for the year

As a result of the factors outlined above, our profit for the year increased by 21.14% from ₹ 645.40 million for Fiscal 2022 to ₹ 781.86 million for Fiscal 2023.

Financial year ended March 31, 2022 compared to financial year ended March 31, 2021

Total Income

Total income increased by 59.27% from ₹ 3,348.47 million in Fiscal 2021 to ₹ 5,333.12 million in Fiscal 2022, primarily due to income received from the sale of solar power to the off-takers in accordance with the terms of the relevant power purchase agreements and increase in other income.

Revenue from operations

Revenue from operations increased by 59.38% from ₹ 3,265.94 million for Fiscal 2021 to ₹ 5,205.37 million for Fiscal 2022, primarily due income received from the sale of solar power to the off-takers in accordance with the terms of the relevant power purchase agreements and increase in deviation settlement mechanism charges.

Sale of solar power

Income from sale of solar power increased by 44.27%, from ₹ 3,265.94 million for Fiscal 2021 to ₹ 4,711.71 million for Fiscal 2022 on account of capitalisation of ISTS Project and SECI RJ Project.

Other income

Other income increased by 54.79% from ₹ 82.53 million for Fiscal 2021 to ₹ 127.75 million for Fiscal 2022, primarily on account of increase in interest income on safeguard duty receivables.

Total Expenses

Total expenses increased by 27.77% from ₹ 3,539.41 million for Fiscal 2021 to ₹ 4,522.40 million for Fiscal 2022, on account of increase in the depreciation and amortization expense, financial costs and other expenses.

Employee Benefit Costs

Employee benefit costs increased by 93.11% from ₹ 4.60 million for Fiscal 2021 to ₹ 8.89 million for Fiscal 2022, on account of, amongst others, increase in salaries and wages, contribution to provident funds and other funds and staff welfare expenses.

Finance costs

Finance costs increased by 25.73% from ₹ 1,872.93 million for Fiscal 2021 to ₹ 2,354.81 million for Fiscal 2022, primarily on account of increase in borrowings, with respect to the construction of the ISTS Project and SECI RJ Project.

Depreciation and Amortization Expense

Depreciation and amortization increased by 5.45% from ₹ 1,298.80 million for Fiscal 2021 to ₹ 1,369.58 million for Fiscal 2022. During Fiscal 2022, the Initial Portfolio Assets reassessed the balance useful lives, residual values and the manner in which the economic benefit was being derived from property, plant and equipment. This reassessment was done in normal course of business and operations.

Other expenses

Other expenses increased by 117.34% from ₹ 363.08 million for Fiscal 2021 to ₹ 789.12 million for Fiscal 2022, primarily due to increase in operation and maintenance charges, insurance expenses, legal and professional fees, and repairs and maintenance of machinery.

Profit before tax

As a result of the factors outlined above, our profit before tax increased by 176.38% from ₹ 293.34 million for Fiscal 2021 to ₹ 810.72 million for Fiscal 2022. During the financial year ended March 31, 2021, the Proposed Trust Group disposed of 100% of its interest in Divine Solren Private Limited to CLP India Private Limited for a gain of ₹ 484.28 million.

Profit for the year

As a result of the factors outlined above, our profit for the year increased by 54.48% from ₹ 417.79 million for Fiscal 2021 to ₹ 645.40 million for Fiscal 2022.

Cash Flows

The following table sets forth certain information relating to the cash flows of the Initial Portfolio Assets on a combined basis for the periods indicated:

(In ₹ million)

Particulars	Financial Year ended March 31,		
	2023	2022	2021
Net cash (used in) / generated from operating activities	7,040.49	4,553.34	4,022.59
Net cash (used in) / generated from investing activities	(8,010.74)	(15,705.85)	(10,365.77)
Net cash generated from financing activities	515.16	11,721.58	6,163.18

Net cash generated from operating activities

Net cash from operating activities for Fiscal 2023 was ₹ 7,040.49 million, primarily arising out of positive working capital and increase in operations of the Initial Portfolio Assets.

Net cash used in operating activities for Fiscal 2022 was ₹ 4,553.34 million, primarily on account of negative working capital and increase in operations of the Initial Portfolio Assets.

Net cash from operating activities for Fiscal 2021 was ₹ 4,022.59 million, primarily on account of positive working capital and increase in operations of the Initial Portfolio Assets.

Net cash (used in)/ generated from investing activities

Net cash used in investing activities for Fiscal 2023 was ₹ (8,010.74) million, primarily due to purchase of property, plant and equipment, and payments to acquire financial assets.

Net cash used in investing activities for Fiscal 2022 was ₹ (15,705.85) million, primarily due to purchase of property, plant and equipment and repayment.

Net cash flowing from investing activities for Fiscal 2021 was ₹ (10,365.77) million, primarily due to purchase of property, plant and equipment and sale of non-current investments.

Net cash (used) / generated in from financing activities

Net cash used in financing activities for Fiscal 2023 was ₹ 515.16 million, primarily due to proceeds from borrowings and payment of interest.

Net cash used in financing activities for Fiscal 2022 was ₹ 11,721.58 million, primarily due to proceeds from borrowings and payment of interest.

Net cash from financing activities for Fiscal 2021 was ₹ 6,163.18 million, primarily due to proceeds from borrowings and payment of interest.

Capital Expenditure

The Initial Portfolio Assets capital expenditure has historically been principally due to purchase of property, plant and equipment. In the Fiscals 2023, 2022 and 2021, the combined capital expenditure of the Initial Portfolio Assets was as follows:

(In ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Property, Plant and Equipment	50,906.64	39,820.86	21,418.82
Capital work-in-progress	-	11,765.64	12,799.94
Right-of-use assets	1,108.08	1,157.12	1,206.16

Indebtedness

The following table provides the types and amounts of the Initial Portfolio Assets outstanding indebtedness on a combined basis as of March 31, 2023, March 31, 2022 and March 31, 2021:

(In ₹ million)

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Non-Current Borrowings			

Particulars	As at March 31, 2023	As at March 31, 2022	As at March 31, 2021
Secured Borrowings			
Term loan	27,498.95	20,963.00	17,126.93
Buyers credit	8,824.08	12,016.53	4,621.06
Total Secured Borrowings	36,323.03	32,979.53	21,747.99
Unsecured Borrowings			
Subordinated debt from related party	7,303.76	7,314.69	4,191.99
Total Unsecured Borrowings	7,303.76	7,314.69	4,191.99
Total Non-Current Borrowings	43,626.79	40,294.22	25,939.98
Secured Current Borrowings			
Current Maturities of Long-Term Borrowings	1,781.80	999.26	671.84
Bills payable to bank			1,472.58
Total Current Borrowings	1,781.80	999.26	2,144.42

As at March 31, 2023, the Initial Portfolio Assets' total borrowings (current borrowings and non-current borrowings), comprising of subordinated debt from related parties, and secured loans and current maturities of the long term borrowings of the Initial Portfolio Assets, was ₹ 43,626.79 million, consisting of unsecured borrowings of ₹ 7,303.76 million and secured borrowings of ₹ 36,323.03 million. Most of the Initial Portfolio Assets' financing arrangements are secured by their movable and immovable assets, including charges on their equipment and intangible assets relating to financial assets relating to their respective projects.

Sufficiency of Working Capital

The Trust will raise funds through appropriate manner to meet its working capital requirements. 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 filing of this Draft Placement Memorandum.

Historical and planned capital expenditure

We do not anticipate any further capital expenditures for the Initial Portfolio Assets as at March 31, 2023.

Contingent Liabilities and Off-Balance Sheet Transactions

We do not have any contingent liabilities and off-balance sheet transactions.

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 295.

Seasonality

Our business model is predominantly renewable energy generation in India. The revenues generated by our Projects are proportional to the amount of electricity generated, which in turn is dependent upon prevailing environmental conditions. However, operating results for solar energy projects vary depending on natural variations from season to season and from year to year and may also change permanently because of climate change or other factors (including conditions resulting from man-made causes, such as smog from crop burning), which are beyond our control. A sustained decline in environmental and other conditions at our solar energy projects could lead to a material adverse change in the volume of electricity generated and as a consequence, our business, cash flows, financial condition, results of operations and prospects may be materially and adversely affected.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Placement Memorandum, 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 the renewable energy sector. For further information, please see the section entitled "*Industry Overview*" and "*Our Business*" on pages 151 and 215, respectively.

Known Trends or Uncertainties

Other than as described in the section entitled “*Risk Factors*” on page 61 and this section entitled “*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust*” on page 273, 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.

Quantitative and Qualitative Disclosure about Market Risks

The Initial Portfolio Assets’ activities expose them to a variety of financial risks, including market risk, credit risk and liquidity risk. The Initial Portfolio Assets’ primary risk management focus is to minimize potential adverse effects of market risk on its financial performance. The Initial Portfolio Assets’ risk management assessment and policies and processes are established to identify and analyses the risks faced by the Initial Portfolio Assets, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and the Initial Portfolio Assets’ board of directors have overall responsibility for the establishment and oversight of the Initial Portfolio Assets’ risk management framework. This section presents information about the risks associated with their financial instruments, the Initial Portfolio Assets’ objectives, policies and processes for measuring and managing risk, and the Initial Portfolio Assets’ management of capital.

Credit Risk

The Trusts’ exposure to credit risk primarily relates to investments, accounts receivable and cash and cash equivalents. The Trust monitors and limits its exposure to credit risk on a continuous basis.

Liquidity risk

The Trust is exposed to liquidity risk related to its ability to fund its obligations as they become due. The Trust monitors and manages its liquidity risk to ensure access to sufficient funds to meet operational and financial requirements. The Trust has access to credit facilities and debt capital markets and monitors cash balances daily. In relation to the Trust’s liquidity risk, the Trust’s policy is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions as they fall due while minimizing finance costs, without incurring unacceptable losses or risking damage to the Trusts’ reputation.

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: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, bank deposits and investments in short-term mutual funds. Financial instruments affected by market risk include loans and borrowings, deposits. However, we did not have any unhedged currency risk as at March 31, 2023, March 31, 2022 and March 31, 2021.

Future Relationships between Expenditure/Costs and Income

Other than as described in the sections “*Risk Factors*” and “*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Initial Portfolio Assets of the Trust*” on pages 61 and 273, 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 215, 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 Trust business model and offer similar services and investment opportunities. For further details, please refer to the sections “*Risk Factors*” and “*Our Business*” on pages 61 and 15, respectively.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Other than as described in this section and in “Risk Factors”, “Industry Overview” and “Our Business” on pages 61, 151 and 215 respectively, there have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

Significant Developments after March 31, 2023

To our knowledge, there has been no material development after the date of the Audited Special Purpose Combined Financial Statements apart from:

- i. The Goyalri Projects and the SECI RJ Project have been demerged from the MSPL Sponsor into Emergent Solren Private Limited pursuant to an order of the National Company Law Tribunal, Mumbai dated July 27, 2023. The scheme of demerger is effective from September 1, 2023.

Except as disclosed above and elsewhere in this Draft Placement Memorandum, there is no subsequent development after the date of our financial statements contained in this Draft Placement Memorandum which we believe has affected, or is likely to affect, materially and adversely, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

The Trust and the Investment Manager confirm that there has been no material change in the contingent liabilities since March 31, 2023, being the date of latest financial information included in this Draft Placement Memorandum.

The Trust and the Investment Manager confirm that there has been no material change in the capital and other commitments since March 31, 2023, being the date of latest financial information included in this Draft Placement Memorandum.

The month-wise revenue for the Initial Portfolio Assets from the date of the latest financial statements included in this Draft Placement Memorandum until the completed month before the filing of this Draft Placement Memorandum has been provided below:

(In ₹ million)

Sr.No.	Name of the Project	Revenue generated in April 2023	Revenue generated in May 2023	Revenue generated in June 2023	Revenue generated in July 2023	Revenue generated in August 2023
1.	ASPL Project	55.16	55.62	40.28	36.59	32.12
2.	BREPL Project	9.93	14.88	11.23	8.55	12.74
3.	Goyalri Project	55.01	57.14	52.82	45.52	48.78
4.	ISTS Project	138.03	140.44	134.10	85.52	97.38
5.	MSUPL Project	136.49	143.09	139.65	125.98	139.36
6.	NSPL Project	38.25	37.62	35.86	24.13	30.66
7.	Rewa Project	141.06	166.08	135.21	118.12	105.50
8.	SECI RJ Project	117.91	113.35	100.67	98.00	105.91

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 the financial years ended March 31, 2023, 2022 and 2021 as per Ind AS 24. For further details in relation to related party transactions, please see the “*Audited Special Purpose Combined Financial Statements*” at Annexure A. 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

To ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties, the IM Board has adopted the policy in relation to related party transactions and conflict of interests (“**RPT Policy**”), pursuant to its resolution dated September 26, 2023, to regulate the transactions between the Trust and its Related Parties. The key terms of the RPT Policy are provided below:

- (i). In accordance with the InvIT Regulations, 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 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 periodic 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 comply with the InvIT Regulations in relation to related party transactions. 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 the 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 (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 material 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 Sponsors.
- (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. The review by the IM Board will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Board.
- (xi). The Investment Manager shall ensure that the profits from related party transactions have arisen from legitimate business transactions.
- (xii). While considering a related party transaction, any director on the Board who has a potential interest in any related party transaction will recuse himself or herself and abstain from discussion, review and voting on the related party transaction. Further, 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 the applicable law and 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 on 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 policy.
- (iii). As part of its review of the internal audit reports, the IM Board will review the internal audit reports of the implementation of the agreements to acquire assets from the MSPL 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, inter alia 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 such transactions entered into prior to the offer of units and any such proposed transactions subsequent to the offer; and (b) to the Stock Exchange and the Unitholders periodically, in accordance with the InvIT Regulations and the agreements to be entered into with the Stock Exchange 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 exchanges.
- (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 Exchange within three months from the end of the financial year, shall contain, inter alia, details of all related party transactions.

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 the strategy and investment objectives of the Trust:

(i). Trust Deed

Please see the section entitled “*Parties to the Trust – Key Terms of the Trust Deed*” on page 104 for a description of the terms of the Trust Deed. The Trustee has received a sum ₹ 0.01 million towards the initial settlement of the Trust from the Sponsors.

(ii). Investment Management Agreement

Please see the section entitled “*Parties to the Trust – Key Terms of the Investment Management Agreement*” on page 117 for a description of the terms of the Investment Management Agreement.

(iii). Project Implementation and Management Agreement

Please see the section entitled “*Parties to the Trust – Key terms of the Project Implementation and Management Agreements*” on page 128 for a description of the terms of the Project Implementation and Management Agreements.

(iv). Share Purchase Agreements

Please see the section entitled “*Related Party Transactions – Acquisition of the Initial Portfolio Assets by the Trust*” on page 297 for a description of the terms of the Share Purchase Agreements.

(v). Right of First Offer (“ROFO”) Agreement

Please see the section entitled “*Related Party Transactions – Acquisition of the future assets by the Trust*” on page 304 for a description of the terms of the ROFO Agreement.

(vi). Trust Loan Agreement

Please see the section entitled “*Use of Proceeds – Trust Loan Agreement*” on page 263 for a description of the terms of the Trust Loan Agreement.

(vii). Shared and Transition Services Agreement

Please see the section entitled “*Related Party Transactions – Shared and Transition Services Agreement*” on page 300 for a description of the terms of the Shared and Transition Services Agreement.

The Share Purchase Agreements, the Project Implementation and Management Agreement, the Trust Loan Agreement and the Shared and Transition Services Agreement will take effect prior to the Allotment of Units.

Acquisition of the Initial Portfolio Assets by the Trust

Share Purchase Agreements

The MSPL Sponsor and other shareholders of the Initial Portfolio Assets (“**Seller**”), the Trustee (acting on behalf of the Trust), the Investment Manager and the Initial Portfolio Assets have entered into several share purchase agreements (“**SPAs**”) in order for the Trust to purchase, and the relevant Seller to sell, the entire issued, subscribed and paid-up share capital of the of the relevant Initial Portfolio Asset (“**Sale Shares**”) prior to the Allotment of Units. Key terms of the SPAs are as follows:

1. *Sale and purchase:*

- (i). Subject to the terms and conditions of the SPA, the Trust (acting through the Trustee) agrees and undertakes to purchase from the Seller, and the Seller agrees and undertakes to sell to the Trust, on the Closing Date (as defined in the SPAs), the Sale Shares, on a spot delivery basis, free and clear of any encumbrances and together with all rights attaching thereto, such that the Trust shall, upon transfer of the Sale Shares on the Closing Date (as defined in the SPAs), receive full legal and beneficial ownership of the Sale Shares and all rights thereto.
- (ii). The aggregate consideration payable by the Trust to the Seller shall be such number of Units payable against the purchase of the Sale Shares as determined upon the finalization of the offer price in accordance with the provisions of the SPA.

2. *Conditions precedent:*

- (i). The completion of the sale and purchase of the Sale Shares shall be conditional on the satisfaction of the conditions precedent (or waiver by the Trust where such waiver is permitted under Applicable Law) to the reasonable satisfaction of the Trust and the Investment Manager.

The conditions precedent, include, amongst others:

- (a) Receipt of written consent from (i) lenders and (ii) other third parties, as applicable;
- (b) The Seller having provided draft copies of the resolutions of the board of directors and shareholders of the relevant Initial Portfolio Assets for the transfer of Sale Shares to the Trust; and
- (c) Receipt of a copy of a draft resolution by the IM Board or a duly constituted committee thereof, approving the finalization of the basis of allotment date in relation to the offer;

3. *Closing:*

- (i). Closing shall occur upon the satisfaction or waiver, as the case may be, of the conditions set out in provisions of the SPA, at the principal place of business of the Trust or at such other time and place and/or on such other date as the Parties may mutually agree. The date on which the closing occurs shall be referred to as the “**Closing Date**”.
- (ii). All transactions contemplated by the SPAs to be completed on the Closing Date shall be deemed to occur simultaneously and no transaction shall be consummated unless all such transactions are consummated simultaneously.

4. *Representations and warranties:*

- (i). The Seller represents and warrants to the Trust and the Investment Manager that each of the seller warranties shall remain true and correct as on the date of execution of the SPA and the Closing Date, provided that those warranties that address matters only as of a specified date, then those shall be true and correct as only of that specified date. The Sellers have represented and warranted that, amongst other things:
 - (a) the Seller and the relevant Initial Portfolio Asset are duly incorporated and existing under the Applicable Laws of India, and has the power and authority to conduct its business in accordance with the terms of its constitutional documents, as conducted on the date of execution of the SPA.
 - (b) the Seller and the relevant Initial Portfolio Assets have the power and authority to enter into, execute, deliver and perform its obligations under the SPA.
 - (c) the SPA constitutes the legal, valid and binding obligation of the Seller and relevant Initial Portfolio Asset, enforceable against the Seller and the relevant Initial Portfolio Asset in accordance with the terms of the SPA.
 - (d) The Seller is the sole legal and beneficial owner of the Sale Shares and holds clear and marketable title to the Sale Shares, free of all encumbrances (except the encumbrances pursuant to the financing documents and MSPL shareholders agreement).
 - (e) the execution, delivery and performance of this Agreement by the Seller and the relevant Initial Portfolio Asset and the consummation of the transaction contemplated under the SPA does not:
 - (i). violate any provision of its constitutional documents;
 - (ii). violate Applicable Laws by which the Seller and the relevant Initial Portfolio Asset are governed; and
 - (iii). conflict with, result in breach of, constitute a default under, result in the acceleration of obligations under or create in favour of any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any material contract to which the Seller is a party.

in each case, in a manner which would render the transaction contemplated by the SPA liable to be cancelled, terminated or declared void.

- (f) Upon acquisition of the Sale Shares in accordance with the terms of the SPAs, the Seller will convey to the Trust clear and marketable title to the Sale Shares free from any encumbrances (except the encumbrances pursuant to the financing documents and MSPL shareholders agreement), along with all rights which are attached to the Sale Shares on and from the Closing Date.
- (g) The issue of the Sale Shares by the Company was done in compliance with Applicable Law.
- (h) The Seller has not done, committed or omitted any act or deed whereby the Sale Shares can be extinguished or rendered void or voidable.
- (i) There are no claims, notices or litigations, in each case, written notice of which has been received by the

Seller where such Person claims to be entitled to any Encumbrance over the Sale Shares.

- (j) No insolvency event has occurred in respect of the Seller or the relevant Initial Portfolio Asset.
 - (k) The Seller is a resident of India under Income Tax Act 1961.
- (ii). The Trust represents and warrants to the other Parties as on the date of execution of the SPA, and the Closing Date that, amongst other things:
- (a) it is duly organized as a Trust under the Indian Trusts Act, 1882 and holds a valid registration under the InvIT Regulations as an Infrastructure Investment Trust.
 - (b) It is existing under the Applicable Laws of its jurisdiction of formation.
 - (c) it has the power and authority to enter into, deliver and perform its obligations under the SPA.
 - (d) the SPA constitutes a legal, valid and binding obligation, enforceable against the Trust in accordance with its terms.
 - (e) its execution, delivery and performance of the SPA and the consummation of the transaction contemplated under the SPA do not:
 - (iv). violate any provision of its charter documents;
 - (v). violate applicable law by which it is governed; and
 - (vi). conflict with, result in breach of, constitute a default under, result in the acceleration of obligations under or create in favour of any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any contract to which the Trust is a party.

in each case, in a manner which would render the transactions contemplated by the transaction documents liable to be cancelled, terminated or declared void.

- (f) No written order has been made, petition presented or resolution passed for its winding up. No administrator nor any receiver or manager has been appointed by any person in respect of the Trust, or all or any of its assets and so far as it is aware, no steps have been taken to initiate any such appointment and no voluntary arrangement has been proposed.
- (g) the execution, delivery and performance of the SPAs by the Seller and the relevant Initial Portfolio Asset and the consummation of the transaction contemplated under the SPA does not:
 - (vii). violate any provision of its constitutional documents;
 - (viii). violate Applicable Laws by which the Seller and the Initial Portfolio Asset are governed; and
 - (ix). conflict with, result in breach of, constitute a default under, result in the acceleration of obligations under or create in favour of any party any right to terminate, modify or cancel, or require any notice, consent or waiver under, any material contract to which the Seller is a party.
- (h) in each case, in a manner which would render the transaction contemplated by the SPAs liable to be cancelled, terminated or declared void.

5. *Indemnity:*

- (i). Seller (“**Indemnifying Party**”) agrees to indemnify, defend and hold harmless the Trust and the Investment Manager (“**Indemnified Party**”), starting from the Closing Date, promptly upon demand at any time and from time to time, from and against losses which relate to or is directly arising out of, resulting from, or relating to any breach of the seller warranties or breach of any covenant of the Seller in the SPA, or any of the matters specifically set out in the provisions of the SPA.
- (ii). Subject to the limitations, as set out in the SPA, if any loss is suffered by the relevant Initial Portfolio Asset pursuant to any indemnification event pursuant to which the Seller is required to make any indemnity payments to an indemnified party, the Seller shall have the option, at its sole discretion, to either make such indemnity payments to the relevant Initial Portfolio Asset or the relevant Indemnified Party, as the case may be.

6. *Termination:*

The SPA may be terminated at any time before the closing date, amongst other things :

- (i). by mutual written consent of the parties;
- (ii). by either the Trust or Seller, if any governmental authority having jurisdiction over the Trust or Seller has issued a non-appealable order or taken any other non-appealable final action, in each case having the effect of permanently restraining, enjoining or otherwise prohibiting the transactions contemplated under the transaction documents, it being agreed that the parties shall promptly appeal any adverse order, determination or decree which is not a non-appealable order (and pursue such appeal with reasonable diligence);
- (iii). by either the Trust or the Seller or the relevant Initial Portfolio Asset, if the Closing under the SPA has not occurred on or prior to the long stop date;
- (iv). by the Trust or the Seller, if any of their respective conditions precedents are not fulfilled by the long stop date; or
- (v). by the Buyer, by written notice to the Seller:
 - a. if any application of corporate insolvency resolution process before the NCLT under IBC is admitted against the Seller or the relevant Initial Portfolio Asset pursuant to an application filed by an operational creditor under IBC, which application not been withdrawn or dismissed within 60 (sixty) days from its admission;
 - b. if the Seller, or the relevant Initial Portfolio Asset receives a written notice from a governmental authority alleging breach of applicable anti-corruption laws and which breach has been established beyond reasonable doubt;
 - c. prior to the closing date, upon any material breach of provisions of the SPA by the relevant Initial Portfolio Asset and/or Seller if such material breach has not been remedied within 30 (thirty) days;
- (vi). by the Seller, with respect to the Trust, by notice to the Trust in writing upon insolvency or bankruptcy being admitted against the Trust under Applicable Law.

Shared and Transition Services Agreement (“SSA”)

A Shared and Transition Services Agreement, (“**STSA**”) will be entered into between MSPL Sponsor, Axis Trustee Services Limited, Sustainable Energy Infra Investment Managers Private Limited, and the Initial Portfolio Assets (“**Parties**”), wherein MSPL has agreed to provide certain advisory and operational services (“**Transition Services**”) as set out in the STSA to Initial Portfolio Assets (“**Recipient Parties**”) for a consideration as set out in the STSA.

1. *Provision of Services:*

- (i). MSPL shall provide certain advisory and operational services as set out in the STSA from the effective date as set out in the STSA or from a date mutually agreed upon after the effective date:
 - a. with reasonable skill and care and keeping with the good practices for the industry, compliant with applicable law, and consistent in quality with MSPL’s past prevailing practices;
 - b. The compliance with applicable law for the industry in which the Initial Portfolio Assets operate, shall remain with the Recipient Parties.
 - c. The Recipient Parties may, from time to time, request MSPL to provide additional services other than those specifically referred to in the STSA. MSPL shall provide such additional services on such terms and conditions and fees as may be mutually agreed in writing. Any additional services so agreed upon by the Parties shall be deemed to be part of the Transition Services.
 - d. MSPL may subcontract any part of its obligations in relation to the Transition Services under the STSA to its affiliates or any third party contractors, provided that MSPL shall ensure that any of its affiliates or the contractors (i) are adequately trained, skilled and experienced at a level appropriate to provide and perform the Transition Services, and (ii) provide and perform the Transition Services in compliance with applicable law and the confidentiality provision of the STSA. MSPL shall be liable for all acts and omissions of such affiliates and the contractors in relation to the Transition Services, as well as for compliance by such affiliates and contractors with the applicable provisions of STSA. Any deficiency in the performance of the Transition Services by any third party subcontracted to perform the Transition Services, shall not release MSPL of its obligations to perform the Transition Services under the STSA, and it shall take all steps to remedy such deficiency or inadequacy.

- e. The MSPL and Investment Manager shall nominate (and intimate to the other Parties) from time to time, 1 (one) or more representatives authorised and responsible for coordinating the provision and performance of the Transition Services under the STSA. Such representative shall be a person who is qualified to undertake the works assigned to them and of adequate seniority (determined in keeping with good practice for the industry) to perform their duties and responsibilities under the STSA.
- f. MSPL shall provide Transition Services as requested and agreed between the Parties for a period of nine months or such other time period as mutually agreed between the Parties under the STSA.

2. *Consideration:*

- (i). As consideration for providing the Transition Services, MSPL Sponsor shall be paid in accordance with the provisions of the STSA.
- (ii). In the event of termination of the STSA, MSPL Sponsor shall be compensated in accordance with provisions of the STSA only for the Transition Services rendered until the date of termination or as may be mutually agreed.
- (iii). If MSPL Sponsor fails to perform any of its obligations under the STSA, where such breach is attributable to MSPL Sponsor, including carrying out the Transition Services, the Recipient Parties, through the Trustee, may issue a written notice to MSPL Sponsor, which shall (i) specify the nature of the breach, and (ii) request MSPL to remedy such breach within such period as described in the STSA or such other period as may be mutually agreed between the Parties for curing such breach or such period as may be prescribed by applicable law.
- (iv). Notwithstanding anything contained in the STSA, if the breach, as set out in the STSA is not cured within the time period specified or mutually agreed or if the breach is not curable in nature (as determined by the Recipient Parties), the Investment Manager may, after written notice to MSPL Sponsor, withhold the fee payable to MSPL Sponsor for providing the specific Transition Service Item(s) in relation to which the breach has occurred (“**Breached Services**”), for a period as described in the STSA (“**Withholding Period**”). In the event the breach is not resolved by MSPL Sponsor within the Withholding Period, MSPL Sponsor may suspend or terminate the provision of Breached Services, upon written notice to the relevant Recipient Parties. It is clarified that, in the event the breach is resolved within the Withholding Period, any fees withheld by the Recipient Parties in relation to the Breached Services may be paid to MSPL Sponsor or settled, as may be mutually agreed.

3. *Representations and Warranties:*

The Parties among others, represent and warrant as follows:

- (i). each Party is duly organized and validly existing under applicable law, and has the right, power and authority to execute, deliver and perform under the STSA;
- (ii). the STSA has been duly executed and delivered by such Party and, assuming the due authorization, execution and delivery by all other parties hereto, constitutes valid and binding obligations of such Party enforceable against such Party in accordance with its terms, subject to any principles of equity or insolvency law;
- (iii). The execution and delivery of the STSA by the Parties and the performance by such Parties of their obligations under the STSA have been duly and validly authorized by all necessary corporate action by such Parties and does not require any further authorization or consent of any third party.
- (iv). The execution, delivery and performance by such Party of the STSA, and the compliance by it with the provisions of will not result in
 - a. a breach of, or constitute a default under, any, agreement or instrument to which any party to the STSA is a party or by which such party is bound; or
 - b. result in a violation of its constitutional documents; or
 - c. contravene any applicable law to which it is subject, or any order, writ, injunction or decree of any court or governmental authority to which it is subject.

- (v). No liquidation, dissolution, winding up, commencement of bankruptcy, insolvency, liquidation or similar proceedings, whether voluntary or involuntary, with respect to it is pending or has been pending, or to the knowledge of such Party, threatened.
4. *Term*: The STSA shall continue to be valid and in full force for 12 months from the effective date as set out in the STSA (“**Term**”), which Term may be mutually extended by the Parties, unless terminated under the STSA.
5. *Termination*:
- The STSA shall be terminated:
- (i). By mutual consent of the Parties in writing (with a 30 (thirty) calendar days prior written notice specified to the other Parties), during the Term;
- (ii). by the Investment Manager after consultation with the Trustee by delivery of a written notice to MSPL at any time, upon an uncured breach of any of the terms, covenants, conditions or provisions of the STSA by MSPL, resulting in a Loss to the Recipient Parties, and a failure of MSPL to remedy the said breach (as determined by the Investment Manager) within a period of 30 (thirty) days or such other period as may be mutually agreed to cure such breach or such period as may be prescribed by applicable law, unless such breach is caused due to the breach by the Recipient Parties;
- (iii). 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 whether voluntary or involuntary are commenced or admitted against such other Party (and such proceedings persist for a period of more than 1 (one) month) (“**Bankrupt Party**”). It is clarified that in the event the Investment Manager, Trustee or MSPL are the Bankrupt Party, the STSA will terminate in its entirety. However, in the event one or more of the Initial Portfolio Assets are the Bankrupt Party, the STSA will terminate in respect of such Bankrupt Party only;
- (iv). by MSPL by delivery of a written notice to the Investment Manager and the Trustee, at any time, upon the non-payment of dues required to be paid to MSPL by the Recipient Parties in accordance with STSA for a period of 60 (sixty) days from the date on which such payment was required to be made in terms the STSA;
- (v). automatically in the event of cancellation of registration of the Trust by SEBI, or winding up of the Trust, then the STSA shall automatically terminate without any liability to any Party;

Related Party Transactions entered into by the Investment Manager

Office Sharing Agreement

Mahindra & Mahindra and the Investment Manager have entered into an Office Sharing Agreement (“**OS Agreement**”) dated July 12, 2023 for the purpose of using 1 cubicle in the M&M’s office (“**Office Facility**”), for its office purpose, during office hours on all days, and avail certain other services from M&M. The key terms of the OS Agreement are as follows:

1. *Term*: The OS Agreement shall be effective from 1 July 2023, until 31 March 2024, unless terminated earlier. The term of the OS Agreement can be extended further, subject to mutual consent of the parties.
2. *Provision of Services*
 - (i). At the request of the Investment Manager, the following facilities, amenities, conveniences and services (“**Services**”) shall be provided by M&M to the Investment Manager (including its employees, customers and visitors), during the term of the OS Agreement:
 - a. Office Facility;
 - b. Security services;
 - c. Electricity connection;
 - d. Any other facility, which M&M may consider necessary.
 - (ii). It is further agreed and declared by and between the parties hereto that the provision of all above mentioned Services is incidental to the provision of Office Facility by M&M, and the Investment Manager shall not be entitled to avail of only few or either of the Services separately, as the entire arrangement is composite, impartible and indivisible.
 - (iii). While the Office Facility will be provided by M&M during working hours on all days, M&M shall not be obliged or liable to the Investment Manager for the provision or sharing of other Services on Sundays and public holidays. Working hours shall begin at 8:45 am and end at 6:30 pm between Monday to Friday (except public holidays).

- (iv). In the event the Investment Manager is desirous of availing more cabins, cubicles, workstations etc, than the stipulated Office Facility, then in such case M&M may, in its sole discretion, and subject to availability, decide to provide additional facility, as may be requested by the Investment Manager, and the same may be subjected to further terms and conditions, which shall be mutually agreed between the parties.
3. *Consideration:* Investment Manager shall pay a lump-sum monthly consideration on arm's length basis. The payment of the consideration for a particular month shall be made by the Investment Manager to M&M within the first 10 days of that respective month.
4. *Representation and Warranties*
- (i). Each party represents and warrants the following:
- It has the requisite corporate power and authority to execute, deliver and perform its obligations under the OS Agreement, and are fully authorized by all requisite corporate actions to do so;
 - entering into and performance of the terms of the OS Agreement, would not breach any other contract it has entered into with any third party; and
 - execution and performance of the OS Agreement will comply with all applicable laws.
5. *Indemnity*
- (i). Investment Manager shall reimburse, indemnify and hold harmless M&M, its employees, agents and representatives for, from and against all losses, damages, suits and claims (and costs and expenses in connection therewith, including reasonable attorney's fees and other investigation and defence costs) that relate to, arise out of, or are caused by, any gross negligence, or wilful misconduct, or material breach of the terms and conditions of the OS Agreement, committed by the Investment Manager and/or its employees, personnel, staff, customers and visitors.
6. *Termination*
- The OS Agreement may be terminated by either M&M or Investment Manager, without assigning any reasons by giving prior written notice of 30 days to the other party.
 - M&M may terminate the OS Agreement for breach of any of the terms and conditions of the OS Agreement by the Investment Manager. However, 15 days' notice shall be given to the Investment Manager to remedy the breach, failing which, the OS Agreement shall be terminated on expiry of the 15 days' notice period.

Lease Agreement

Mahindra and Mahindra Financial Services Limited ("**Lessor**") and the Investment Manager ("**Lessee**") have entered into a lease agreement dated September 21, 2023 ("**Lease Agreement**") for the purpose of leasing certain asset(s) and allotting the said asset(s) to its employees for use. The Lease Agreement may be terminated upon occurrence of any of the following events, whichever is later: (a) after the Lessee has completely fulfilled its obligations under the Lease Agreement; (b) occurrence of any event of default under provisions of the Lease Agreement; (c) in case the Lessee wishes to pre-close the lease agreement for an asset or surrender an asset; (d) upon mutual consent of the parties; or (e) by the lessee by giving 30 days notice.

Under the Lease Agreement, both the Lessor and the Lessee have given certain representations and warranties in relation to execution of the Agreement and other such conditions that are to be fulfilled by both, the Lessor and the Lessee, in order to perform their obligations under the Lease Agreement. Additionally, as per the provisions of the Lease Agreement the Lessor shall arrange for the insurance and the Lessee shall, at its own costs, insure the relevant leasing asset. As per the provisions of the Lease Agreement, the minimum holding period for the relevant leasing asset is 12 months.

Borrowings from Related Parties

Borrowings in the form of inter-corporate deposits, and other short term and subordinated loans were provided to the Initial Portfolio Assets. For details, please see the section entitled "*Financial Indebtedness and Deferred Payments*" on page 261.

Potential Conflicts of Interest

The Investment Manager has established certain procedures to deal with conflict of interest issues. Further, the Trust will avail a term loan from Axis Bank Limited of not more than ₹ 34,000.00 million with an additional working capital facility of up to ₹ 1,500 million. For further details in relation to the indicative principal terms of borrowing, please see the section entitled "*Financial Indebtedness and Deferred Payments*" on page 261. For further details on management of potential conflicts of interest, please see the section entitled "*Related Party Transactions – Procedure for dealing with Related Party Transactions*" on page 295.

Acquisition of the future assets by the Trust

ROFO Agreement

The MSPL Sponsor, the OTPP Sponsor, the Trustee (acting on behalf of the Trust) and the Investment Manager have entered into the ROFO Agreement, to enable the Trust to have the right to purchase assets acquired, developed and/or maintained by the MSPL Sponsor after the Offer. Some the key terms of the ROFO Agreement are as follows:

Right of first offer: The Trust shall have a right of first offer (“**ROFO**”) over fully paid up equity shares, debt securities and other similar securities (“**ROFO Securities**”) subject to the lock-in periods, if any, of the special purpose vehicles identified in the ROFO Agreement (“**ROFO SPVs**”), held by the MSPL Sponsor (the “**Seller**”). Such ROFO will be available to the Trust from such date which is 180 days from the the date on which the Units are listed and commence trading on the stock exchanges (“**Trust Listing Date**”) and will be available until such date which is 9 years from the Trust Listing Date (“**ROFO Period**”).

Offer: During the ROFO Period, the Seller shall make an irrevocable invitation to offer to the Trust, through the Trustee or the Investment Manager, for the acquisition of all (and not part) of the securities held by the Seller in one or more ROFO SPVs, subject to the lock-in period, if any, specified in the project agreements (“**Invitation to Offer**”). In relation to each ROFO SPV, the Seller shall be required to make the Invitation to Offer to the Trust during such period as described in the ROFO agreement before the expiry of the lock-in period specified in the project agreements (“**Lock-in Date**”) and until 1 year subsequent to the Lock-in Date or prior to expiry of ROFO Period, whichever is earlier.

In the event the Trust is interested in the acquisition of all the ROFO Securities in each or any of the ROFO SPVs, the Trust shall communicate such interest in writing, by way of a non-binding offer, within a period as described in the ROFO Agreement from the date of receipt by the Trust of the Invitation to Offer (“**Interest Period**”), which shall be accompanied with a due diligence questionnaire that is customary for transactions of such nature and consists of requests for information that is reasonably required (the “**Notice of Interest**”).

The Seller shall provide information as requested by the Trust through the due diligence questionnaire (“**Information**”) within such period as described in the ROFO Agreement, of receipt of the Notice of Interest (“**NOI End Date**”) in legible and understandable form, including access to the data room and the project site of the relevant ROFO Asset(s) to enable the Trust to perform a due diligence exercise. The Trust shall bear all the costs incurred in relation to such due diligence exercise.

Within a period of 60 days from the date of receipt of the NOI End Date, or such other extended time as may be mutually agreed between the parties, provided the Seller has complied with its obligation to provide Information in accordance with the terms of the ROFO Agreement, the Trust shall have the right but not the obligation to make an irrevocable offer to acquire all of the ROFO Securities (subject to compliance with applicable law and approval of Unitholders of the Trust as may be required under applicable law) of any or all the ROFO SPVs set out in the Invitation to Offer, at such value as determined in accordance with the clauses of the ROFO Agreement attributed by the Trust to such ROFO SPV or ROFO SPVs (the “**ROFO SPV Offer Price and Terms**”) by delivering an irrevocable offer letter (the “**ROFO SPV Offer Letter**”) to the Seller. The ROFO SPV Offer Letter will be binding on behalf of the Trust.

Acceptance: The Seller may accept the ROFO SPV Offer Price, by delivering a notice of acceptance to the Trust within a period of 30 days (the “**ROFO Acceptance Period**”) from the date of receipt of the ROFO SPV Offer Letter by the Seller (the “**ROFO Acceptance Notice**”). If the ROFO Acceptance Notice is received by the Trust during the ROFO Acceptance Period, the sale of the ROFO Securities shall be completed in accordance with the ROFO SPV Offer Price and Terms within 60 (sixty) days from the ROFO Acceptance Notice by the Trust, subject to receipt of all consents.

Non-acceptance: In the event the Trust delivers the ROFO SPV Offer Letter to the Seller within the ROFO Offer Period and no ROFO Acceptance Notice from the Seller is received by the Trust during the ROFO Acceptance Period or the Seller declines to accept the offer set out in the ROFO SPV Offer Letter made by the Trust, (i) the Seller shall be entitled to sell the ROFO Securities to any person (“**Third Party Purchaser**”) within 12 (twelve) months from the expiry of the ROFO Acceptance Period, provided that the Third Party Purchaser offers a price for the ROFO Securities which is at least 5% higher than the price offered by the Trust in the ROFO SPV Offer Letter; (ii) the Seller shall sell the ROFO Securities to the Third Party Purchaser at an amount at least 5% higher than the price offered by the Trust in the ROFO SPV Offer attributable to such ROFO Securities; and (iii) the Seller shall deliver a notice to the Trust of its intent to sell the ROFO Securities to the Third Party Purchaser within 7 (seven) days of acceptance by such Third Party Purchaser to purchase the ROFO Securities (“**Third Party Sale Notice**”). The Third Party Sale Notice shall include a declaration from the Seller that the sale of the ROFO Securities to the Third Party Purchaser shall be at a price which is at least 5% higher than the price set out in the ROFO SPV Offer Letter.

Absence of offer: In the event that the Trust (a) does not provide the Seller with the Notice of Interest within the stipulated time, or (b) does not issue the ROFO Asset Offer Letter within the stipulated time, or (c) notifies the Seller of its decision to not purchase the ROFO Securities during the Interest Period or the ROFO Offer Period, then the Trust shall have been deemed to have waived its right of first offer in respect of the ROFO Securities and without prejudice to the other rights of the Seller, the

Seller shall have the right (but not the obligation) to sell all of the ROFO Securities to any person without any restriction as to price or terms, at any time.

Representations and warranties: Each party shall represent and warrant to the other party to the ROFO Agreement, as follows:

- (i). Each party is duly organized and validly existing under applicable law, and has the right, power and authority to execute, deliver and perform the ROFO Agreement;
- (ii). The ROFO Agreement has been duly executed and delivered by such party and, assuming the due authorization, execution and delivery by all other parties hereto, constitutes valid and binding obligations of such party enforceable against such party in accordance with its terms, subject to any insolvency proceedings;
- (iii). The execution and delivery of the ROFO Agreement by such party and the performance by such party of its obligations under the ROFO Agreement has been duly and validly authorized by all necessary corporate action and does not require any further authorization or consent of any third party;
- (iv). The execution, delivery and performance by such party of the ROFO Agreement, and the compliance by it with the provisions of the ROFO Agreement will not result in:
 - (a) a breach of, or constitute a default under, any agreement or instrument to which such party is a party or by which such party is bound; or
 - (b) result in a violation of its constitutional documents; or
 - (c) contravene any applicable law to which it is subject, or any order, writ, injunction or decree of any court or Governmental Authority to which it is subject; and
- (v). No liquidation, dissolution, winding up, commencement of bankruptcy, insolvency, liquidation or similar proceedings, whether voluntary or involuntary, with respect to it is pending or has been pending, or to the knowledge of such party, threatened.

Term and Termination: The ROFO Agreement shall become effective and binding on the parties on and from the Trust Listing Date, and shall continue to be valid and in full force and effect for a period of 9 (nine) years from the date of execution of the ROFO Agreement, provided that none of the ROFO procedures set out in the ROFO Agreement are subsisting upon the expiry of the ROFO Period and unless terminated in accordance with the provisions of the ROFO Agreement.

In the event ROFO procedures, as set out in the ROFO Agreement, are subsisting upon the expiry of the ROFO Period, the ROFO Agreement shall terminate immediately upon the completion of all ROFO procedures, in accordance with the provisions of the ROFO Agreement, which were initiated during the ROFO Period.

Future Related Party Transaction

The Investment Manager proposes to enter into further related party transactions with its related parties in accordance with the InvIT Regulations and Applicable Law, for the purposes of availing and providing certain services to the relevant related parties. The agreements proposed to be executed include (i) an agreement for providing services such as contract management, legal and secretarial services, human resource services and insurance services to the Project Manager; (ii) an agreement to avail payroll services from Mahindra Integrated Business Solutions Private Limited; and (iii) an agreement to avail information technology services from Bristlecone India Limited.

REGULATIONS AND POLICIES

The following description is a summary of certain sector specific laws currently in force in India, which are applicable to our business and operations. The information detailed in this section has been obtained from publications available in the public domain. The description below may not be exhaustive, and is only intended to provide general information, and is neither designed as, nor intended to substitute, professional legal advice. Judicial and administrative interpretations are subject to modification or clarification by subsequent legislative, judicial or administrative decisions.

Industry specific legislations

Electricity Act, 2003

The Electricity Act, 2003 (the “**Electricity Act**”) is the central legislation which covers, amongst others, generation, transmission, distribution, trading and use of electricity and prescribes technical standards in relation to the connectivity of generating companies with the grid. As per provisions of the Electricity Act, generating companies are required to establish, operate and maintain generating stations, sub-stations and dedicated transmission lines. Further, the generating companies may supply electricity to any licensee or even directly to consumers, subject to availing open access to the transmission and distribution systems and payment of transmission charges, including wheeling charges and open access charges, as may be determined by the concerned electricity regulatory commission.

Under the Electricity Act, the transmission, distribution and trade of electricity are licensed activities that require licenses from the Central Electricity Regulatory Commission (the “**CERC**”), concerned State Electricity Regulatory Commissions (the “**SERCs**”) or a joint commission (constituted by an agreement entered into by two or more state governments or the central government in relation to one or more state governments, as the case may be) (the joint commission along with the CERC and the SERCs, hereinafter collectively referred to as the “**Appropriate Commission**”). In accordance with Section 7 of the Electricity Act, a generating company may establish, operate and maintain a generating station without obtaining a licence under the Electricity Act if it complies with the technical standards relating to connectivity with the grid prescribed under clause (b) of Section 73 of the Electricity Act.

Under the Electricity Act, the SERCs are required to promote co-generation and generation of electricity from renewable sources of energy and sale of electricity to any person. The Electricity Act further requires the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee, which are known as renewable purchase obligations (“**RPOs**”).

Additionally, Electricity Rules, 2005 (the “**Electricity Rules**”) also prescribe a regulatory framework for developing captive generating plants. Pursuant to the Electricity Rules, a power plant shall qualify as a captive power plant only if not less than 26% of ownership is held by captive users and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for captive use. In case of a generating station owned by a company formed as a special purpose vehicle, the equity shares of such special purpose vehicle required to be held by the captive user(s) are to be determined with reference to such unit or units identified for captive use and not with reference to the generating station as a whole, and the electricity required to be consumed by the captive user(s) must not be less than 51% of the proportionate equity interest of the company related to the generating unit or units identified as the captive generating plant.

The Ministry of Power (the “**MoP**”) has proposed draft amendments to the Electricity Act by way of the Electricity (Amendment) Act, 2018 (the “**2018 Electricity Amendment Act**”). The 2018 Electricity Amendment Act defined the terms (i) ‘renewable purchase obligation’ as the minimum percentage of electricity that must be procured by obligated entities from renewable sources in the manner specified by the central government, from time to time; (ii) and ‘renewable generation obligation’ as the renewable energy generation capacity required to be established or procured from renewable energy sources or any instrument, as the case may be, representing renewable energy, and sale of such energy along with the electricity generated from the coal or lignite based thermal generating station, by a generating company establishing coal or a lignite based thermal generating station. The 2018 Electricity Amendment Act also introduced provisions to promote smart grid, ancillary support and decentralized distributed generation for purposes of the renewable energy sector. Further, the 2018 Electricity Amendment Act proposes changes in renewable energy, cross-subsidy, open access and operations and responsibilities of the Electricity Regulatory Commissions (the “**ERC**”), amongst other changes. For instance, the 2018 Electricity Amendment Act introduces the concept of a renewable energy service company, which provides renewable energy to consumers in the form of electricity. The 2018 Electricity Amendment Act also proposes: (a) a time bound reduction in cross-subsidies; (b) a provision restricting cross-subsidies to not more than 20% of the wheeling charge; (c) the separation of carriage and content, i.e. providing a further breakup of the distribution companies into supplier and network operators and proposes to allow multiple suppliers in the area of the distribution company.

The MoP has proposed draft amendments to the Electricity Act by way of the Electricity (Amendment) Bill, 2020 (the “**2020 Electricity Amendment Bill**”). The 2020 Electricity Amendment Bill, provides for, amongst other things, to establish a National Renewable Energy Policy for the purposes of development and promotion of generation of electricity from renewable sources of electricity. The 2020 Electricity Amendment Bill proposes to establish the Electricity Contract Enforcement Authority (the “**ECEA**”). The ECEA will adjudicate on matters involving the performance of contracts regarding the purchase,

sale, or transmission of electricity between a generation company and other licensees. The 2020 Electricity Amendment Bill also requires that the tariff for the retail sale of electricity must reflect the cost of supply and such tariff must be determined without accounting for any government subsidy and must be provided to the consumers directly. The 2020 Electricity Amendment Bill also prescribes the functions of the National Load Dispatch Centre (the “**NLDC**”) which includes, amongst others: (i) responsibility for optimum scheduling and despatch of electricity in accordance with the contracts entered into with the licensees or generating companies; (ii) monitoring grid operations, (iii) exercising supervision and control over inter-regional and interstate transmission network, and (iv) have overall authority for carrying out real-time operations of the national grid. Additionally, NLDC may also issue directions and exercise such supervision and control, as may be required, for the safety and security of the national grid and for ensuring the stability of grid operation. In addition, the 2020 Electricity Amendment Bill provides that no electricity shall be scheduled or despatched by the Regional Load Despatch Centres (the “**RLDCs**”) or the State Load Despatch Centres (the “**SLDCs**”) unless adequate security of payment has been provided, as agreed upon in the contract entered into with the licensees or the generating companies. The 2020 Electricity Amendment Bill also proposes to amend the Electricity Act to provide for higher penalties.

The MoP has also recently proposed draft amendments to the Electricity Act by way of the Electricity (Amendment) Bill, 2022 (the “**2022 Electricity Amendment Bill**”). The 2022 Electricity Amendment Bill, provides for, amongst other things, facilitate non-discriminatory open access to the distribution network of a distribution licensee, enable management of power purchase and cross-subsidy in case of multiple distribution licensees in the same area of supply, graded revision in tariff over a year and for mandatory fixing of maximum ceiling as well as minimum tariffs by the Central or State Regulatory Commission or the Joint Commission. The 2022 Electricity Amendment Bill also prescribes the functions of the National Load Dispatch Centre (the “**NLDC**”) which includes, amongst others: (i) responsibility for optimum scheduling and despatch of electricity in accordance with the contracts entered into with the licensees or generating companies; (ii) monitoring grid operations and ensure security of the grid, (iii) exercising supervision and control over inter-regional and interstate transmission network, and (iv) have overall authority for carrying out real-time operations of the national grid. Additionally, NLDC may also issue directions and exercise such supervision and control, as may be required, for the safety and security of the national grid and for ensuring the stability of grid operation. In addition, the 2022 Electricity Amendment Bill provides that no electricity shall be scheduled or despatched by the Regional Load Despatch Centres (the “**RLDCs**”) or the State Load Despatch Centres (the “**SLDCs**”) unless adequate security of payment has been provided, as agreed upon in the contract entered into with the licensees or the generating companies. The 2022 Electricity Amendment Bill also proposes to amend the Electricity Act to provide for higher penalties.

Tariff Determination

Under the Electricity Act, tariffs are broadly determined in the following manner:

- (i) In terms of Section 62(1) of the Electricity Act, the Appropriate Commission is empowered to determine the tariff for the supply of electricity by a generating company to a distribution licensee. The appropriate electricity regulatory commission is guided by certain principles while determining the tariff applicable to power generating companies which include, among other things, principles and methodologies specified by the CERC for tariff determination, safeguarding consumer interest and other multiyear tariff principles and the implementation of the National Electricity Policy (the “**NEP**”), the Tariff Policy and the National Tariff Policy, 2016 (the “**NTP 2016**”); and
- (ii) Alternatively, tariff may be determined through the transparent process of bidding in accordance with the guidelines issued by Government of India and in terms of Section 63 of the Electricity Act, the appropriate regulatory commission shall adopt such tariff.

National Tariff Policy, 2016

In exercise of the powers conferred under Section 3 of the Electricity Act, 2003, Government of India has notified the revised tariff policy to be applicable from January 28, 2016. NTP 2016 specifies that any action taken under the provisions of the Tariff Policy, shall, in so far as it is not inconsistent with NTP 2016, be deemed to have been done or taken under the provisions of this NTP 2016. NTP 2016 has introduced several reforms and has an increased focus on renewable energy, sourcing power through competitive bidding and the need for ‘reasonable rates’. The objective of NTP 2016, amongst other things, includes:

- (i) ensuring financial viability of the power sector and attract investments;
- (ii) ensuring availability of electricity to consumers at reasonable and competitive rates;
- (iii) promoting generation of electricity from renewable power sources; and
- (iv) promoting hydroelectric power generation.

It is important to note that the NTP 2016 has been drafted to guide the CERC and SERCs. The NTP 2016 has removed the ambiguity on applicability of the renewable purchase obligations (“**RPO**”) on co-generation as it has been clarified that co-generation from sources other than renewable sources shall not be excluded from the applicability of the RPO obligation. NTP 2016 has also provided more clarity on the renewable generation obligations (“**RGO**”) provisions. NTP 2016 specifies that the renewable energy produced by each generator may be bundled with its thermal generation for the purpose of sale. In case an

obligated entity procures this renewable power, then the SERCs will consider the obligated entity to have met the RPO to the extent of power bought from such renewable energy generating stations.

Given the focus that NTP 2016 has on renewable power and competitive tariffs, the states have been mandated to make necessary endeavours to procure power from renewable energy through competitive bidding in order to keep the tariff low. Further, NTP 2016 states that 35% of the installed capacity can be procured by the state at SERC determined tariff. Further to give the much need impetus to the renewable power sector, it has been suggested in the NTP 2016 that no inter-state transmission charges and losses for renewable power (solar or wind) may be levied till certain date as may be notified by the Government of India. NTP 2016 also discusses the implementation of Multi-Year Tariff Framework, this framework is likely to minimise the risks for utilities and consumers, promoter efficiency and appropriate reduction of system losses and attract investments.

NTP 2016, amongst other things, takes into account the following factors in determining the tariff:

- (i) return on investment;
- (ii) equity norm of 70:30;
- (iii) depreciation;
- (iv) cost of debt;
- (v) cost of management of foreign exchange risk i.e. the costs incurred on account of hedging and swapping to take care of foreign exchange variations; and
- (vi) operating norms (to be evolved based on the incentives and disincentives along with appropriate arrangement for sharing the gains of efficient operations with the consumers).

In 2018, The MoP constituted a committee to propose draft amendments to the NTP 2016 (the “**New Tariff Policy**”), which includes, amongst others, (i) imposition of penalties by Appropriate Commission on the distribution companies for power cuts other than force majeure conditions or technical faults; (ii) for determining tariffs, the Appropriate Commission shall determine the tariff without taking into account any subsidy components and such subsidy shall be given to the consumers through a direct benefit transfer directly into their accounts; and (iii) in order to ensure that the burden of efficiencies of the state electricity regulators is not passed on to the consumers, it has been proposed that the state and joint commissions shall not consider aggregate technical and commercial losses exceeding 15% for determination of tariff after March 31, 2019. Further, the New Tariff Policy also provides that an Appropriate Commission shall allow and establish a mechanism for reimbursement of carrying cost for the period of change in law until its approval, if there is any, after award of the bids. The basic framework on service standards shall include continuity and reliability of electricity supply, quality standards, and timely responses to application for connection/disconnection, enhancement or reduction of connection load and disruption complaints.

National Electricity Plan, for the period 2022-32 (“NEP”)

The National Electricity Plan (Volume I: Generation), for the period of 2022-32, was notified by the CEA in May 2023 (“**NEP**”). The key highlights include, among other things, the following:

- (i) the estimated installed capacity for the year 2026-27 is 609,591 MW (comprising of 336,553 MW renewable energy based capacity and 273,038 MW of conventional capacity);
- (ii) The target installed capacity for the year 2031-32 is estimated to be 900,422 MW (comprising of 304,147 MW of conventional capacity and 596,275 MW of renewable based capacity); and
- (iii) The estimated total capacity addition is in line with the target of the country to achieve a non-fossil based installed capacity of around 500 GW by the year 2029-30.

Electricity (Amendment) Rules, 2023

The Electricity (Amendment) Rules, 2023 were notified on June 30, 2023. The amendment introduces a rule pertaining to a person or entity functioning as a licensee under the previous act and continues to function as a licensee and where the duration of the license is not prescribed, in such cases the period of the license shall be 25 years from the date of the coming into force of the act. Further the license shall be renewed for a period of 25 years at a time or for a lesser period, if requested by the licensee.

Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020

The CERC has announced the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2020 (the “**CERC Tariff Regulations**”) which supersede the regulations issued in 2017. The Tariff Regulations govern the determination of tariff, for a generating station or a unit commissioned during the ‘control period’ (being a period from July 1, 2020 to March 31, 2023 (the “**Control Period**”). The CERC Tariff Regulations

apply to cases where tariff for a grid connected generating station or a unit thereof commissioned during the Control Period and based on renewable energy sources, is to be determined by the CERC in accordance with Section 62 read with Section 79 of the Electricity Act, as well as Section 4 of the CERC Tariff Regulations, as may be applicable. The CERC Tariff Regulations further lay down the criteria which should be taken into consideration by CERC while determining the tariff for the sale of electricity generated from renewable sources. CERC will determine the generic tariff on the basis of petition at least one month in advance at the beginning of each year of the Control Period.

Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and the other related matters) Regulations, 2019

The CERC notified the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2019 (the “**CERC RLDC Regulations**”) on April 5, 2019 and shall be applicable during the control period from April 1, 2019 to March 31, 2024 for determination of fees and charges to be collected by RLDCs from the generating companies, distribution licensees, inter-state transmission licensees, buyers, sellers and inter-state trading licensees and any other users. The CERC RLDC Regulations also sets out the registration process and functions for RLDCs or NLDCs, application process for determination of fees and charges, computation of capital cost, additional capitalization and decapitalization, debt – equity ratio, fees and charges structure, computation and recovery of fees and charges and performance linked incentives.

Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 (“Grid Code, 2023”)

On May 29, 2023, the CERC notified the CERC (Indian Electricity Grid Code) Regulations, 2023 (“**Grid Code, 2023**”) and the same shall be effective from October 1, 2023. The Grid Code, 2023 lays down a single set of technical and commercial rules, encompassing all the utilities connected to/or using the interstate transmission system. The Grid Code, 2023 also lays down the rules, guidelines and standards to be followed for planning, developing, maintaining and operating the power systems, in the most secure, reliable, economic and efficient manner. The Grid Code, 2023 require the wind and solar power generators to forecast and schedule their power generation on a day ahead basis. Further, the Grid Code, 2023, read along with Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021, provides a ‘must-run’ status to all solar and wind power plants and exempts such power plants from ‘merit order dispatch’ principles.

Apart from the provisions relating to the roles of various statutory bodies, the Grid Code, 2023, contains provisions pertaining to the reliability and adequacy of resources, technical and design criteria for connectivity to the grid, integration of renewable energy sources and cyber security considerations.

Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022

The CERC has announced the Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2022 (the “**CERC Deviation Settlement Mechanism Regulations**”) on March 14, 2022. The CERC Deviation Settlement Mechanism Regulations seek to ensure, through a commercial mechanism that users of the grid do not deviate from and adhere to their schedule of drawal and injection of electricity in the interest of security and stability of the grid.

Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (the “CERC Open Access Regulations”)

The CERC Open Access Regulations for inter-state transmission provide for a framework which not only facilitates traditional bilateral transaction (negotiated directly or through electricity traders), but also cater to collective transactions discovered in a power exchange through anonymous, simultaneous competitive bidding by sellers and buyers. Applicable to short term open access transactions up to one month as a time, the emphasis of the CERC Open Access Regulations is on scheduling rather than reservation to ensure that the request of an open access customer is included in the despatch schedules released by RLDCs. Further, certain types of transmission services by payment of transmission charges (to be levied in rupees per MWh) shall be available to open access customers based on the type of transactions, i.e. bilateral or collective. In addition to transmission charges, certain operating charges shall also be levied. The CERC Open Access Regulations enable entities connected to inter-state transmission as well as intra-state transmission and distribution system to purchase power from a source other than the incumbent distribution licensee situated outside the relevant State.

On December 12, 2019, CERC notified the CERC (Open Access in Inter-State Transmission) (Sixth Amendment) Regulations, 2019. By way of this amendment, certain changes to provisions relating to intra-day transaction or contingency transaction, real time transactions, procedure for scheduling of transaction in real-time market were introduced.

On April 1, 2022, CERC approved the procedure for short term open access in inter-state transmission system through national open access registry as set out in CERC (Open Access in Inter-State Transmission) (Fifth Amendment) Regulations, 2018 dated January 2, 2019 and the same shall be effective from the date of this amendment.

Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022. (“GNA Regulations”)

The CERC notified the GNA Regulations on June 7, 2022, in order to provide for a regulatory framework to facilitate non-discriminatory open access to licensees, generating companies and consumers for the use of the inter-State transmission system through General Network Access along with a consolidation of prior regulations. It repealed the CERC (Grant of Connectivity, Long-Term Access and Medium-Term Open Access in Inter-State Transmission and related matters) Regulations, 2009 along with the Detailed Procedures of Central Transmission Utility under clause (1) of Regulation 27 of the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009.

These regulations simplify the application procedure for grant of connectivity with or grant of access to the inter-State transmission system where designated nodal agencies are responsible for the grant. Along with the Electricity (Promoting Renewable Energy Through Green Open Access) Rules, 2022 these regulations create a simplified single window application process for General Network Access for renewable energy generators and consumers.

On April 1, 2023 the CERC notified the CERC (Connectivity and General Network Access to the inter-State Transmission System) (First Amendment) Regulations, 2023, which among other changes, introduces Regulation 11A introducing conditions to be fulfilled by a connectivity grantee after the grant of General Network Access. These regulations shall be effective from October 1, 2023.

Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 (“2020 ISTS Charges Regulations”)

The 2020 ISTS Charges Regulations came into effect from November 11, 2020 and replaced the CERC (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2010. The 2020 ISTS Charges Regulations lays down the details and mechanism applicable to all designated ISTS customers, inter-state transmission licensees, NLDC, RLDC, SLDCs and regional power committees in relation to inter-state transmission charges and losses. In accordance with the order dated August 5, 2020, issued by the MoP, (in supersession of its previous orders dated February 13, 2018 and November 6, 2019), no inter-state transmission charges and losses for the use of ISTS network is payable for the generation based on solar and wind power resources for a period of 25 years from the date of commissioning of power plants which meet the following criteria:

- (i) power plants using wind, solar including the wind-solar hybrid projects with or without storage commissioned till June 30, 2023 for sale of power to entities having RPO irrespective of whether the power is within RPO or not, provided that in case of distribution licensees, the power has been competitively procured under the guidelines issued by central government.
- (ii) solar photo-voltaic power plants commissioned under the Ministry of New and Renewable Energy’s Central Public Sector Undertaking Scheme Phase-II dated March 5, 2019.
- (iii) solar photo-voltaic power plants commissioned under SECI manufacturing linked tender dated June 25, 2019 for sale to entities having RPO, irrespective of whether power is within RPO or not.

On February 7, 2023, the CERC notified the CERC (Sharing of Inter-State Transmission Charges and Losses) (First Amendment) Regulations, 2023. By way of this amendment certain principal regulations inter alia the principles of sharing transmission charges, components and sharing of national component, components and sharing of regional component, transmission deviations. Amongst other modifications under this amendment, the bills for sharing of transmission charges shall be raised on Drawee DICs and the settlement of the transmission charges shall be made in terms of the PPA or as per mutual agreement.

Central Electricity Regulatory Commission (Terms and Conditions for Recognition and Issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010 (the “REC Regulations”)

The CERC notified the REC Regulations on January 14, 2010 and these regulations were last amended on March 28, 2016. The REC Regulations aim at the development of market for power from non-conventional energy sources by issuance of transferable and saleable credit certificates. The REC Regulations facilitate fungibility and inter-state transaction of renewable energy with least cost and technicality involved. The objective of the implementation of renewable energy certificate (“REC(s)”) mechanism was to ensure that the obligated entities meet their renewable purchase obligation targets through purchase of REC which may have been generated in other states. The REC mechanism is, therefore, prevalent to enable the less resourceful states to fulfil their renewable purchase obligations by purchasing RECs instead of directly procuring renewable energy from projects located in different states. RECs are valid for a period of 1,095 days from the date of issuance of the certificate. One REC is equivalent to 1 megawatt-hour energy generated from renewable energy generator and injected into the grid.

The CERC has nominated the National Load Despatch Centre as the central agency to perform the functions, including, amongst other things, registration of eligible entities, issuance of certificates, maintaining and settling accounts in respect of certificates,

acting as repository of transactions in certificates and such other functions incidental to the implementation of REC mechanism as may be assigned by the CERC. The REC mechanism provides a market based instrument which can be traded freely and provides means for fulfilment of renewable purchase obligations by the distribution utilities or consumers.

Net Metering Regulations

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity.

Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power and Wind-Solar Hybrid Projects

The MoP has issued guidelines on August 3, 2017 and December 8, 2017 for procurement of solar and wind power, respectively, through tariff based competitive bidding process (the “**Competitive Bidding Guidelines**”). The Competitive Bidding Guidelines as amended from time to time, provide a framework for procurement of solar power through a transparent process of bidding, including standardisation of the process and defining responsibilities of the stakeholders. The guidelines are applicable for long term procurement of electricity through competitive bidding process by the procurer(s) from grid connected solar power projects having size of 5 MW and above. For procurement of electricity, the procurer may opt for either the ‘tariff as a bidding parameter’ option or the ‘viability gap funding as a bidding parameter’ option. e. Further, the Competitive Bidding Guidelines aim to enable the distribution licensees to procure wind power at competitive rates in a cost-effective manner. The Competitive Bidding Guidelines were further amended by the MoP on July 16, 2019 to include, certain changes pertaining to the wind power projects and The MNRE further amended the Competitive Bidding Guidelines on September 25, 2020 to include certain changes pertaining to the solar power projects.

Additionally, the MNRE on October 14, 2020, issued guidelines for tariff based competitive bidding process for procurement of power from grid connected wind solar hybrid projects pursuant to the Wind-Solar Hybrid Policy 2018. These guidelines were issued, amongst other things, (i) to promote competitive procurement of electricity from grid connected wind solar hybrid projects by distribution licensees to promote consumer interests; (ii) to facilitate transparency and fairness in the procurement process; and (iii) to provide for a framework for an intermediary procurer as an aggregator or trader for the inter-state sale purchase of long term power and to provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the projects and profitability for the investors.

Ministry of Power on August 21, 2023 introduced new Wind, Solar and Solar-Wind Hybrid Procurement Bidding guidelines in supersession of existing guidelines. These guidelines aim to enhance transparency, establish fair procurement procedures, and encourage competitive pricing. This new framework is designed to promote consistent growth in installations across the country. The new incentives and relaxations are expected to stimulate increased participation, while penalties will serve as a deterrent against project delays and cancellations. The Ministry introduced an amendment to the general PPA tenure which shall be now for a period of 20 years, however, can also be fixed for a longer period such as 25 years. The guidelines mandate bidders to quote within additional 2-5% of the lowest tariff (L1) bid. Earlier guidelines did not specify this range for other bidders with regard to the L1 tariff. This is to persuade developers to bid realistic and sustainable tariffs. According to the guidelines, the procurer can purchase excess energy generated beyond the maximum capacity utilization factor (CUF) at the PPA tariff price. Projects with up to 1,000 MW capacities are now required to commence power supply within 24 months of signing the PPA (execution of PPA). In contrast, projects exceeding the 1,000 MW threshold have been granted a timeline of 30 months (from execution of PPA). The revised guidelines have also incorporated penalties for project delays. In cases where the project is delayed by more than six months from the scheduled commissioning date, the Contracted Capacity will be reduced.

Furthermore, the PPA for the remaining Contracted Capacity that has not yet commenced power supply will be terminated. Generators that incur delays also face the prospect of debarment for 1 year in case of first default; for not less than 2 years and not more than 3 years for second and subsequent defaults. The amended guidelines extend to all forthcoming wind, solar and hybrid power projects.

Guidelines for Development of Onshore Wind Power Projects, 2016 (“MNRE Guidelines”)

The MNRE initially issued guidelines for orderly growth of wind power sector, which were subsequently revised from time to time. These guidelines aim to facilitate the development of wind power projects in an efficient, cost effective and environmentally benign manner, taking into account the requirements of project developers and state and national imperatives. These guidelines provide, amongst others, provisions for site selection and its feasibility, type certification and quality assurance, grid connectivity, micrositing, metering and real time monitoring.

Renewable Purchase Obligations

The 2018 Electricity Amendment Act defined the term ‘renewable purchase obligation’ (“**RPO(s)**”) as the minimum percentage of electricity that must be procured by obligated entities from renewable sources. The Electricity Act and the Tariff Policy require the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee. RPOs are required to be met by obligated entities (distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by renewable energy power producers or by purchasing RECs. In the event of default by an obligated entity in any Fiscal, the SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilized for, among others, the purchase of renewable energy certificates.

Generation Based Incentive Scheme (the “GBI Scheme”)

To encourage generation from wind energy projects, MNRE notified the GBI Scheme for grid connected wind power projects on December 17, 2009. In accordance with the GBI Scheme and the extension notification dated September 4, 2013 issued by the wind power division of the MNRE, the GBI Scheme is currently applicable to the wind power projects which were commissioned and registered during the period commencing from December 17, 2009 and up to March 2017. Generation based incentives under the GBI Scheme are available for the wind power projects selling electricity to the grid and captive wind power projects, but exclude wind power projects that undertake third party sales. Only those wind power projects which sell electricity at the tariff announced by SERCs and/or the state governments are eligible for availing benefits under the GBI Scheme. The objective of the GBI Scheme is to (i) broaden the investor base; (ii) incentivize actual generation with the help of generation or outcome based incentives; and (iii) facilitating entry of large independent power producers and foreign direct investment in the Indian wind power sector. Under the GBI Scheme, generation based incentives are available for a minimum period of four years and maximum period of 10 years.

Accelerated Depreciation Scheme (the “AD Scheme”)

The AD Scheme was introduced in 1994 as a tax-saving scheme for renewable energy projects. Accelerated Depreciation (“**AD**”) is a mechanism through which the depreciation (*for example, in the value of wind projects*) speeds up after the commissioning of the project, thereby, reducing tax liability by a significant amount. Under this scheme, the taxable income of the developers of wind projects related assets is majorly reduced as the depreciation was substantially higher. By increasing the deductions in the first few years, AD reduces the developers’ overall tax debt. It further pushes the levying of higher tax rates to a later period. Thereby, encouraging setting up of and investment in wind power projects. Initially, the scheme was introduced with a depreciation rate of 100%; which was later reduced to 80% in 2002. The scheme was subsequently withdrawn only to be re-introduced in 2014. The scheme was withdrawn due to various reasons – one of them being the inability of state DISCOMs to comply with the RPOs due to a substantial growth in the power generated through wind projects.

AD was introduced to promote private sector investment in renewable energy projects, and to facilitate the entry of a new class of investors including corporations, high net-worth individuals, and small and medium enterprises. However, it must be noted that AD is mostly beneficial for profit-making companies only. As the scheme can only be availed in relation to the deductions against payable tax. In case of a loss-making company, AD will not be applicable as there is no payable tax in this scenario. Thereby, entities that have more liabilities than assets will hardly be able to avail any benefits under this scheme.

Ujwal DISCOM Assurance Yojana (“UDAY”)

UDAY scheme for Operational and Financial Turnaround of Power Distribution Companies, is a scheme formulated by the MoP, Government of India, by way of an office memorandum dated November 20, 2015 with an objective to improve the operational and financial efficiency of DISCOMs. It provides for the financial turnaround and revival of power DISCOMs. The scheme is applicable only to state-owned DISCOMs, including combined generation, transmission and distribution undertakings.

The state government, DISCOMs and the Government of India will enter into agreements which shall stipulate responsibilities of each of these entities towards achieving the operational and financial milestones under the scheme.

National Action Plan on Climate Change

The National Action Plan on Climate Change (the “**NAPCC**”) issued by the Government of India in 2008 has recommended that the national renewable energy generation standard be set at 5% of total grid purchase and that it be increased by 1% each year for 10 years. SERCs can set higher percentages than this minimum at each point in time. NAPCC also recommends imposition of penalty under the Electricity Act in case of utilities falling short to meet their Renewable Standard Obligations.

The Jawaharlal Nehru National Solar Mission

The National Solar Mission (the “**NSM**”) was approved by the Government of India on November 19, 2009 and launched on January 11, 2010. The immediate aim of the NSM was to focus on setting up an enabling environment for solar technology

penetration in the country both at a centralized and decentralized level. The NSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to 2017 and Phase III from 2017 to 2022). The target will principally comprise 40 GW rooftop solar power projects and 60 GW large and medium scale grid connected solar power projects. In addition, the Government of India on March 22, 2017 sanctioned the implementation of a scheme to enhance the capacity of solar parks from 20,000 MW to 40,000 MW for setting up at least 50 solar parks each with a capacity of 500 MW and above by 2019 or 2020.

Integrated Energy Policy 2006

The Integrated Energy Policy, 2006, (the “**Policy**”) is a report of an expert committee constituted by the Government of India, to explore alternative technologies and possible synergies that would increase energy system efficiency and meet the requirement for energy services. The aims and objectives of this Policy include, amongst others, providing appropriate fiscal policies to take care of externalities, tax measures, transparent and targeted subsidies, promoting energy efficiency, providing incentive for renewable energy production by linking the incentive to not just the outlay but also the output. The Policy also provides for the respective power regulators to mandate feed-in-laws for renewable energy, as may be appropriate and as provided under the Electricity Act. With respect to wind power, the Policy provides that where cultivations is not affected, a wind turbine installation should be permitted on an agricultural land without requiring its conversion into non-agricultural land.

The Ministry of New and Renewable Energy (“MNRE”)

The MNRE is the nodal ministry of the Government of India at the national level for all matters relating to non-conventional sources of energy and renewable energy. The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems or devices for various applications in rural, urban, industrial and commercial sector.

National Institute of Wind Energy (“NIWE”)

NIWE is an autonomous research and development institution under the MNRE, Government of India, established to serve as a technical focal point for orderly development of wind power deployment in India. Use of any wind turbine in India is subject to certification from NIWE.

National Institute of Solar Energy (“NISE”)

NISE is an autonomous research and development institution under the MNRE, Government of India, established to facilitate the research and development, testing, certification and skill development activities in the field of solar energy. NISE also supports the MNRE in the implementation of NSM.

State Level Policies, Guidelines for Promotion and Establishment of Renewable Energy Projects

Various states, from time to time, have announced administrative policies relating to wind and solar power projects and the matters relating thereto. Typically, these state policies are framed by nodal agencies responsible for development of renewable energy and energy conservation in the respective states. These policies provide for, among others, the incentives of setting up of wind and or solar power projects in the relevant states, procedure and approvals required for setting up of wind and solar power projects within the state, regulation of grid integration, connectivity and security, and tariff determination.

Environmental Laws

The Central Pollution Control Board of India (“**CPCB**”), a statutory organisation established in 1974 under the Ministry of Environment, Forest and Climate Change (“**MoEF&CC**”), is responsible for setting the standards for maintenance of clean air and water and providing technical services to the MoEF&CC.

CPCB has classified industrial sectors under the red, orange, green or white categories. The newly introduced white category pertains to those industrial sectors which are practically non-polluting, including solar power generation through photovoltaic cells, wind power projects of all capacities and mini hydroelectric power. In relation to the white category of industries, only intimation to the relevant SPCB is required, and there is no requirement to obtain a consent to operate for this category. Certain environmental laws which may be applicable to us due to the nature of our business, include:

- (i) Water (Prevention and Control of Pollution) Act 1974;
- (ii) Air (Prevention and Control of Pollution) Act, 1981;
- (iii) The Environmental Impact Assessment Notification, 2006 including the draft Environmental Impact Assessment, 2020 Notification;
- (iv) Hazardous and Other Wastes (Management & Transboundary Movement) Rules 2016; and
- (v) Hazardous and Other Wastes (Management & Transboundary Movement) Amendment Rules, 2019.

Industrial and Labour Laws

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable due to the nature of our business activities:

- (i) Contract Labour (Regulation and Abolition) Act, 1970;
- (ii) Employees' Provident Funds and Miscellaneous Provisions Act, 1952;
- (iii) The Factories Act, 1948;
- (iv) The Employees State Insurance Act, 1948;
- (v) Minimum Wages Act, 1948;
- (vi) Payment of Bonus Act, 1965;
- (vii) Payment of Gratuity Act, 1972;
- (viii) Payment of Wages Act, 1936;
- (ix) Maternity Benefit Act, 1961;
- (x) Industrial Disputes Act, 1947;
- (xi) Employer's Liability Act, 1938;
- (xii) Employees' Pension Scheme, 1995 (except in case of WSMPL, WSBHL, WUAL, SREPL and IRRJL, where the number of employees are less than 10 (ten));
- (xiii) Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- (xiv) Industrial Employment (Standing Orders) Act, 1946;
- (xv) State legislations under Shops and Commercial Establishments Act ;
- (xvi) Inter-State Migrant Workmen (Regulation of Employment and Conditions of Services) Act, 1976; and
- (xvii) State legislations on Tax on Professions, Trades, Callings and Employments of relevant states.

Additionally, there are certain legislations which have not been implemented yet, but seek to replace certain of the existing labour laws mentioned above. The Code on Wages, 2019, seeks to consolidate and amend certain exiting labour laws relating to wages and The Code on Social Security, 2020 seeks to amend and consolidate laws relating to social security with the goal to extend social security to all employees and workers either in the organised or unorganised or any other sectors.

The Occupational Safety, Health and Working Conditions Code, 2020 seeks to consolidate and amend the laws regulating the occupational safety, health and working conditions of the persons employed in an establishment; and The Industrial Relations Code, 2020 seeks to consolidate and amend the laws relating to trade unions, conditions of employment in industrial establishment or undertaking, investigation and settlement of industrial disputes.

Shops and Establishments legislations in various states

The provisions of various shops and establishments legislations, as applicable in the states in which our establishments are set up, regulate the conditions of work and employment in shops and commercial establishments, and generally prescribe obligations in respect of, amongst others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

Intellectual Property Laws

Certain laws relating to intellectual property rights such as trademarks protection under the Trade Marks Act, 1999 (the "**Trade Marks Act**") are applicable to us.

The Trade Marks Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description.

Other Indian laws

In addition to the above, we are also governed by the real estate property laws, relevant central and state tax laws and other applicable laws and regulations imposed by the central and state government for our day to day business and operations.

REGULATORY APPROVALS

Provided below are details in relation to the material consents, permissions, registrations and approvals from the Government, various governmental agencies and other statutory or regulatory authorities required to be obtained by the Trust or Initial Portfolio Assets for carrying out their present businesses. Further, provided below are the approvals in relation to the Offer and in relation to the Trust. In the event that any of the approvals and licenses that are required for the Initial Portfolio Assets' business operations expire in the ordinary course of business, the relevant Initial Portfolio Asset will apply for such renewal from time to time. For details in connection with the regulatory and legal framework within which the Trust and the Initial Portfolio Assets operate, see 'Regulations and Policies' on page 306.

A. Approvals in relation to the Trust

Certificate of registration dated August 11, 2023 bearing registration number IN/InvIT/23-24/0027 issued by SEBI to the Trust under Regulation 3 of the InvIT Regulations, for registration of the Trust as an infrastructure investment trust.

B. Approvals in relation to the Offer

- (i). Resolutions dated September 25, 2023, passed by the IM Board in relation to the Offer and other incidental matters and resolutions dated September 26, 2023, passed by the InvIT Committee of the IM Board approving the Draft Placement Memorandum and other incidental matters.
- (ii). In-principle listing approval from the NSE dated [●].

C. Material Business Approvals in relation to Initial Portfolio Assets

In the ordinary course of business, the Initial Portfolio Assets receive approvals, licences, registrations and permissions from various authorities including statutory and regulatory authorities, governmental agencies and counterparties to the PPAs ("**Material Business Approvals**"). The Material Business Approvals received by various projects held by the Initial Portfolio Assets have been summarised below.

Approvals received in relation to the NSPL Project

- (i). Approval of the scheme in relation to the NSPL Project and estimated cost of engineering charges and spares costs for evacuation of 42 MW power for the NSPL Project dated December 6, 2016, issued by Transmission Corporation of Telangana Limited ("**TSTRANSCO**");
- (ii). Commissioning and synchronisation certificates dated October 27, 2017 and November 6, 2017, issued by TSTRANSCO in relation to NSPL Project;
- (iii). Route approval dated October 28, 2016, issued by TSTRANSCO in relation to the NSPL Project;
- (iv). Approval for energization of the project route line dated November 17, 2018, issued by Bharat Sanchar Nigam Limited in relation to the NSPL Project;
- (v). State Load Dispatch Centre ("**SLDC**") Clearance dated September 21, 2017, issued by TSTRANSCO in relation to the NSPL Project;
- (vi). Execution approval dated February 15, 2017, issued by TSTRANSCO in relation to the NSPL Project;
- (vii). CEIG approvals under Regulation 32 and 43 (4) of Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010, dated July 19, 2017, issued by Government of Telangana, Electrical Inspectorate in relation to the NSPL Project, and the 132kV transmission line and bay extension;
- (viii). CEIG approvals under Section 54 of the Electricity Act, 2003 and Regulation 32 and 43 (4) of Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010, dated July 19, 2017;
- (ix). CEIG approval under Section 54 of the Electricity Act, 2003 (the "**Electricity Act**") and Regulation 32 of Central Electricity Authority (Measures relating to Safety and Electrical Supply) Regulations, 2010 dated June 20, 2017, issued by Government of Telangana, Electrical Inspectorate for the drawings submitted for design approval;
- (x). Approvals of drawings of guaranteed technical particulars of 132 kV current transformers, CRP and substation automation system, and optical ground wire cable dated May 10, 2017, March 4, 2017, April 7, 2017 and March 16, 2017 issued by TSTRANSCO;

- (xi). Gram Panchayat no-objection certificates, dated June 8, 2017, January 9, 2018 and March 22, 2018, issue by Gram Panchayats of Waddekothapally, Mahabubabad District, Mamidala, Suryapet District and Jalalpuram, Suryapet District, respectively, in relation to setting up of the NSPL Project;
- (xii). Permission letter, dated July 6, 2017, issued by Government of Telangana, Ground Water Department, in relation to withdrawal of ground water for the NSPL Project;
- (xiii). Acknowledgement in relation to industrial entrepreneurs memorandum, dated January 1, 2018 and registration dated September 2, 2016, issued by Ministry of Commerce & Industry in relation to the NSPL Project;
- (xiv). Approval dated March 7, 2017, issued by the superintending engineer of TSTRANSCO in relation to the profile with tower schedules of the NSPL Project;
- (xv). Approval dated May 8, 2017, issued by the chief engineer of TSTRANSCO for the approach cable of the NSPL Project;
- (xvi). Importer Exported Code certificate dated June 24, 2016, issued by Additional Director General of Foreign Trade under the Foreign Trade (Regulations) Rules, 1993, in relation to the NSPL Project;
- (xvii). Value Added Tax registration certificate dated March 15, 2017, issued by Commercial Taxes Department, Government of Telangana, in relation to the NSPL Project;
- (xviii). Tax Deduction Account Number, dated August 12, 2015, issued by the Income Tax Department for NSPL;
- (xix). PAN registration dated July 1, 2015, issued by the Income Tax Authority of India for NSPL;
- (xx). Certificate of provisional GST registration dated June 28, 2017, issued by GoI for NSPL; and
- (xxi). Right of way no objection certificate dated May 6, 2017, issued by various land owners in relation to the construction of the transmission line from the substation 220/132kV Waddekothapally to the plant of NSPL Project.

Approvals received in relation to the Goyalri Project

- (i). Commissioning certificate dated March 31, 2017, issued by the commissioning committee with representatives from VVNL, Bikaner RRVPNL, Gajner, Bikaner, RRECL, NTPC and MSPL in relation to the Goyalri Project;
- (ii). Approval of power evacuation plan dated November 11, 2016, issued by Rajasthan Renewable Energy Corporation Limited;
- (iii). Approval for construction of 132 kV Bay at 220kV GSS Gajner dated July 3, 2014, issued by Rajasthan Rajya Vidyut Prasaran Nigam Limited;
- (iv). Approval under Section 68 of the Electricity Act dated March 29, 2016, issued by the Government of Rajasthan, Energy Department;
- (v). Approval of NHAI dated February 27, 2018, issued by the Ministry of Road, Transport and Highways in relation to proposal of MSPL of overhead crossing by 132kv double circuit transmission line with ACSR Panther conductor from 220kv GSS on NH-15, village Gajner, tehsil – Gajner, District- Bikaner;
- (vi). Approvals for energisation and installation under Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 dated April 26, 2018 (for energisation of 132 kv transmission line), March 10, 2017 and March 23, 2017 (for energisation of inverters and related 33 kv cable) respectively, issued by the Electrical Inspectorate, Jodhpur;
- (vii). Approval for telemetry data and communication system at SLDC dated March 21, 2017, issued by Rajasthan Rajya Vidyut Prasaran Nigam Limited;
- (viii). Approvals, dated September 21, 2015 and October 23, 2015, issued by RRVPNL in relation to technical feasibility for connectivity of the Goyalri Project;

- (ix). Gram Panchayat no-objection certificate, dated January 18, 2017, issued by Chani Gram Panchayat in relation to the Goyalri Project;
- (x). Industrial entrepreneurs memorandum registration dated May 5, 2017 issued by Secretariat of Industrial Assistance, Ministry of Commerce & Industry, GoI;
- (xi). Certificates of Importer-Exporter Code, dated July 27, 2015, issued by Additional Director of General Foreign Trade, Ministry of Commerce and Industry; and
- (xii). Registration under the Rajasthan Solar Policy dated September 26, 2016, issued by the Rajasthan Renewable Energy Corporation Limited.

Approvals received for SECI RJ Project

- (i). Commissioning certificate dated October 14, 2021 and October 18, 2021, issued by the commissioning committee with representatives from JDVVNL, RRVPNL, GSS, Bikaner, RRECL and MSPL, and SECI, respectively, in relation to the SECI RJ Project;
- (ii). Approval for adoption of tariff under Section 63 of Electricity Act dated January 6, 2020, issued by the Rajasthan State Electricity Regulatory Commission;
- (iii). Approval granted under Section 68 of Electricity Act in respect of the SECI-RJ Project issued to Rajasthan Renewable Energy Corporation Limited dated November 26, 2020, issued by the Ministry of Power;
- (iv). Approval for power evacuation plan to MSPL dated January 7, 2020, issued by the Rajasthan Renewable Energy Corporation Limited;
- (v). Approval granted for the approach section of 220 KV S/C transmission line from SECI- RJ Project to 220KV GSS, Ganjer, Bikaner, dated December 15, 2020, issued by RRVPNL;
- (vi). Approval under Section 164 of the Electricity Act dated January 17, 2021, issued by the Government of Rajasthan, Energy Department;
- (vii). Approval of NHAI dated November 2, 2022, issued by the Ministry of Road, Transport and Highways in relation to proposal of MSPL of overhead crossing 220 kv OHL from SECI -RJ Project at KM 30+720 (NH-15) (KM 298+215 of new NH-11), of Bikaner Phalodi village- Khari Charnan, Gajner, tehsil – Kolayet, district- Bikaner;
- (viii). Approvals for energisation of electrical installations under Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 dated September 22, 2021 and September 8, 2021, issued by the Electrical Inspectorate, Bikaner;
- (ix). Approval, dated June 25, 2021, issued by PTCC, Northern Zone, and BSNL Telecom Coordination Committee for route of extra high-tension power line for the SECI RJ Project;
- (x). Registration certificate, dated October 16, 2019, issued by RRECL under the Rajasthan Solar Energy Policy, 2014;
- (xi). Certificates of Importer-Exporter Code, dated July 27, 2015, issued by Ministry of Commerce and Industry; and
- (xii). Industrial entrepreneurs memorandum registration dated February 24, 2021 issued by Ministry of Commerce and Industry.

Approvals received in relation to the Rewa Project

- (i). Commissioning certificates dated July 5, 2018, September 6, 2018, April 4, 2019, July 9, 2019 and January 2, 2020, respectively, issued by Rewa Ultra Mega Solar Limited (“**RUMSL**”) in relation to the Rewa Project;
- (ii). Connectivity approval granted to RUMSL dated May 3, 2018, issued by Power Grid Corporation of India Limited (“**PGCIL**”);
- (iii). No-objection certificate dated July 15, 2015, issued by the Forest Department, Rewa;

- (iv). Approvals for energisation under Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 dated May 21, 2018, August 13, 2018, December 14, 2018, May 17, 2019, and November 11, 2019, respectively, issued by the Central Electricity Authority (Ministry of Power), Government of India;
- (v). Land handover letters, dated June 20, 2017, September 15, 2017 and April 27, 2018. issued by District Renewable Energy Officer in relation to the Rewa Project;
- (vi). GST registration, dated September 17, 2017, issued by GoI;
- (vii). PAN registration (issued for MRPL), dated July 26, 2010, issued by GoI; and
- (viii). Industrial entrepreneurs memorandum registration dated January 1, 2018 issued by Secretariat of Industrial Assistance, Department of Industrial Policy and Promotion, GoI.

Approval received in relation to the ISTS Project

- (i). Commissioning certificates dated August 17, 2021, May 14, 2021, June 8, 2021 and July 24, 2021, respectively, issued by the Solar Energy Cooperation of India;
- (ii). Approval for adoption of tariff and procurement of power under Section 63 of Electricity Act dated February 28, 2020, issued by Central Electricity Regulatory Commission;
- (iii). Approval for procurement of power under Section 86 of Electricity Act dated April 24, 2019 issued by Chhattisgarh Electricity Regulatory Commission;
- (iv). Stage I connectivity approval for ISTS Project in favour of MSPL dated September 5, 2018 issued by PGCIL;
- (v). Stage II connectivity approval for ISTS Project in favour of MSPL dated September 28, 2018 and revision to the Stage II approval for ISTS Project in favour of MSPL and supplementary transmission agreement dated July 4, 2019 issued by PGCIL;
- (vi). Approval for long term access in favour of MSPL dated January 17, 2019, issued by PGCIL;
- (vii). Approval granted under Section 68(1) and Section 164 of Electricity Act, 2003 in favour of MSPL, dated July 25, 2019 and November 24, 2020, respectively, issued by the Ministry of Power, Central Electricity Authority;
- (viii). Connection offer dated December 18, 2020 in relation to the stage II connectivity approval, issued by PGCIL in relation to the ISTS Project;
- (ix). Approval dated September 24, 2020, issued by the PTCC, Northern Zone, and BSNL Telecom Coordination Committee for route of extra high-tension power line for the ISTS Project;
- (x). Long term access operationalization certificate dated October 27, 2021, issued by the Central Transmission Utility of India Limited in favour MSPL;
- (xi). Certificate of building stability, dated September 27, 2021, issued by J.N. Associates, competent person (Stability of Building) Factories and Boilers Department, Rajasthan, in relation to the ISTS Project;
- (xii). Gram Panchayat no-objection certificate, dated October 10, 2019, issued by Ghator Gram Panchayat for establishment of a 250 MW solar power plant by MRPL in Bhim Jio Gao, Bap Tehsil, Jodhpur District, Rajasthan;
- (xiii). GST Registration in favour of MRPL, dated September 13, 2019, issued by GoI;
- (xiv). Certificates of Importer-Exporter Code, dated January 14, 2011, issued by Additional Director of General Foreign Trade, Ministry of Commerce and Industry;
- (xv). Approval of factory building drawings, dated August 10, 2021, issued under section 6 of the Factories Act, 1948, by Government of Rajasthan;
- (xvi). No-objection certificate, dated November 2, 2021, issued by Mining Department, Government of Rajasthan, in relation to the ISTS Project;

- (xvii). Registration certificate dated August 2, 2019, issued under Rajasthan Solar Energy Policy, 2014, by RRECL for the ISTS Project; and
- (xviii). Approvals for energisation under Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010, dated January 29, 2021 (for energisation of electrical installation of 100 MW AC and 148.11 MWp DC solar power project), July 9, 2021 (for energisation of electrical installation of 50 MW AC and 71.26 MWp DC solar power project), July 9, 2021 (for energisation of electrical installation of 62.5 MW AC and 91 MWp DC solar power project) and August 13, 2021 (provisional approval for energisation of electrical of 37.5 MW AC and 51.76 MWp DC Solar PV ground mounted project along with associated AC/DC at MRPL), respectively, issued by Central Electricity Authority (Ministry of Power).

Approvals received for BREPL Project

- (i). Tariff adoption order granted under Section 63 and Section 86(1)(b) of the Electricity Act dated February 21, 2015, issued by Andhra Pradesh Electricity Regulatory Commission (“**APERC**”);
- (ii). Approval for energisation Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 dated December 9, 2015, issued by the Electrical Inspectorate, Government of Andhra Pradesh;
- (iii). Drawing approval, dated November 26, 2015, issued by CEIG in relation to the BREPL Project;
- (iv). Permission letter, dated February 3, 2015, issued by APPCC in relation to execution of BREPL Project’s interconnection facilities for evacuation of power;
- (v). DC over head line approval, dated October 7, 2015, issued by Southern Power Distribution Company of Andhra Pradesh Limited;
- (vi). Registration dated October 26, 2015, issued under the Andhra Pradesh Solar Power Policy dated February 12, 2015, by New & Renewable Energy Development Corporation of Andhra Pradesh Limited;
- (vii). GST Registration for Maharashtra, dated July 19, 2018, issued by the GoI;
- (viii). GST Registration for Andhra Pradesh, dated July 17, 2018, issued by the GoI;
- (ix). TAN registration dated December 28, 2013, issued by the Income Tax Department, GoI;
- (x). Certificates of Importer-Exporter Code, dated February 4, 2015 and July 23, 2015, issued by Director of General Foreign Trade, Ministry of Commerce and Industry; and
- (xi). Bay allocation approvals for the grid sub-station (“**GSS**”), dated September 8, 2015 and September 4, 2015, issued by the Transmission Corporation of Andhra Pradesh Limited (“**APTRANSCO**”).

Approvals received in relation to the MSUPL Project

- (i). Commissioning certificates dated May 20, 2022 and June 17, 2022, issued by SECI in relation to MSUPL Project;
- (ii). Stage I connectivity approval dated October 7, 2019, issued by Power Grid Corporation of India Limited (“**PGCIL**”) in relation to a 250 MW solar project located in Jodhpur Rajasthan;
- (iii). Stage II connectivity approval dated October 29, 2019, issued by Power Grid Corporation of India Limited (“**PGCIL**”) in relation to a 250 MW solar project located in Jodhpur Rajasthan;
- (iv). Tariff adoption approval under Section 63 of the Electricity Act dated January 25, 2021, issued by Central Electricity Regulatory Commission (“**CERC**”);
- (v). Approval under Section 86 of the Electricity Act dated February 18, 2020, issued by Haryana Electricity Regulatory Commission (“**HERC**”);
- (vi). SECI Letter dated June 29, 2022 in relation to confirmation of LTA operationalisation date and PPA effective date i.e. June 29, 2022.
- (vii). Grant of long-term access dated October 29, 2019, issued in favour of MSPL by PGCIL;

- (viii). Approvals for energisation under Regulation 43 of the CEA (Measures Relating to Safety and Electric Supply) Regulations, 2010 dated April 22, 2022 (for energisation of electrical installation of 50 MW AC at the MSUPL Project), April 29, 2022 (for energisation of electrical installation of 125 MW AC at the MSUPL Project) and June 12, 2022 (for energisation of electrical installation of 75 MW AC at the MSUPL Project), respectively, issued by Central Electricity Authority (“CEA”);
- (ix). Approval issued under Section 68(1) of the Electricity Act dated June 7, 2021 modified by certificate dated December 2, 2021, issued by CEA to MSPL in relation to the MSUPL Project;
- (x). Approval dated February 25, 2022, issued by PTCC, Northern Zone, and BSNL Telecom Coordination Committee for route of extra high-tension power line for the MSUPL Project;
- (xi). Registration certificate dated July 5, 2021, issued by RRECL under Rajasthan Solar Power Policy, 2019, for the MSUPL Project;
- (xii). Certificate of Importer-Exporter Code, dated May 19, 2021, issued by Director of General Foreign Trade, Income Tax Department;
- (xiii). PAN registration dated January 12, 2012, issued by Income Tax Department for MSUPL;
- (xiv). Tax Deduction Account Number, dated February 22, 2012, issued by the Income Tax Department;
- (xv). GST registration certificate dated January 8, 2020, issued by GoI; and
- (xvi). Approval issued under section 164 of the Electricity Act dated February 8, 2022, issued by CEA.

Approvals received in relation to the ASPL Project

- (i). Registration certificates dated September 26, 2016, issued by Gujarat Energy Development Agency (“GEDA”) in relation to setting up the 65 MW project under the Gujarat Solar Power Policy, 2015;
- (ii). Commissioning certificates dated June 12, 2017 and June 23, 2017, issued by GEDA in relation to ASPL Project;
- (iii). Approvals for connectivity, issued in favour of ASPL dated March 2, 2017, issued by the Gujarat Energy Transmission Company Limited;
- (iv). Industrial entrepreneurs memorandum registration dated December 1, 2016 issued by Secretariat for Industrial Assistance, Ministry of Commerce & Industry, GoI;
- (v). GST registration certificate dated June 26, 2017 and June 28, 2017 issued by GoI;
- (vi). Importer-exporter registration dated January 11, 2026, issued in favour of ASPL by Ministry of Commerce and Industry, GoI;
- (vii). PAN registration dated October 14, 2015, issued by Income Tax Department, GoI;
- (viii). Approval for method of laying 66kV underground cable laying work, in relation to the ASPL Project, dated March 24, 2017, issued by CEIG;
- (ix). Drawing approvals in relation to the ASPL Project, dated March 24, 2017, issued by CEIG; and
- (x). Approvals for energisation dated March 20, 2017, March 21, 2017 and May 8, 2017, issued by the Office of Chief Electrical Inspector in relation to the ASPL Project.

D. Approvals applied for, but not yet received

Except as disclosed below, as of the date of this Draft Placement Memorandum, there are no approvals required by the Trust and the Initial Portfolio Assets for which applications are applied for, but not yet received:

- (i). Registration application, dated May 25, 2021, for registration under Telangana Water, Land and Trees Act, 2002, relation to the NSPL Project;

- (ii). Application dated July 15, 2021 in relation to fire safety certificate for the ASPL Project, issued under the Gujarat Fire Prevention and Life Safety Measure Rules, 2014;
- (iii). Application dated July 2, 2021 in relation to fire safety certificate for the Goyalri Project, issued under the Rajasthan Fire Prevention and Safety Act;
- (iv). Application dated November 8, 2021 in relation to fire safety certificate for the SECI RJ Project, issued under the Rajasthan Fire Prevention and Safety Act;
- (v). Application dated September 6, 2021, for approval of holding of excess land beyond ceiling limit for the Goyalri Project, issued under the provisions of Rajasthan Solar Policy, 2019 and Rajasthan Imposition of Ceiling on Agricultural holdings (Amendment) Bill, 2020 and the Ceiling Act, 1973;
- (vi). Application dated May 7, 2022, for approval of holding of excess land beyond ceiling limit for the SECI RJ Project, issued under the provisions of Ceiling Act, 1973;
- (vii). Application dated September 6, 2021, for approval of holding of excess land beyond ceiling limit for the ISTS Project, issued under the provisions of Rajasthan Solar Policy, 2019, Rajasthan Imposition of Ceiling on Agricultural holdings (Amendment) Bill, 2020 and the Ceiling Act, 1973, as amended;
- (viii). Application dated April 11, 2022, for approval of holding of excess land beyond ceiling limit for the MSUPL Project, issued under the provisions of Ceiling Act, 1973;
- (ix). Application dated June 20, 2022 in relation to fire safety certificate for the MSUPL Project, issued under the Rajasthan Fire Prevention and Safety Act; and
- (x). Applications dated September 7, 2023 in relation to the trademark registration of the Investment Manager.

E. Approvals for which applications are yet to be made

As on the date of this Draft Placement Memorandum, there are no approvals required by Trust and the Initial Portfolio Assets for which applications are yet to be made.

LEGAL AND OTHER INFORMATION

Except as stated in this section and on the basis of the disclosures below, there are no pending material litigation and actions by regulatory authorities, which are not in the ordinary course of business, in each case against (i) the Trust, its associates and the Initial Portfolio Assets; (ii) the Sponsors, the Project Manager, the Investment Manager and each of their associates and the Sponsor Group; and (iii) the Trustee, as on the date of this Draft Placement Memorandum. Further, except as stated in this section and on the basis of the disclosures below, there are no pending material litigation and actions by regulatory authorities which are not in the ordinary course of business, against the Sponsors or any of its Associates or the Sponsor Group or Associates of the Investment Manager (which may be affiliates of the Sponsors).

For the purpose of this section, details of all regulatory actions and criminal matters, which are not in the ordinary course of business, involving the Trust ((including the Initial Portfolio Assets), the Sponsors, the Project Manager, the Investment Manager and their associates, and the Sponsor Group and the Trustee, that are currently pending have been disclosed. Further, any civil matter that is pending involving an amount equivalent to, or more than, the amount or threshold as disclosed below, in respect of (i) the Trust, its associates and the Initial Portfolio Assets; (ii) the Sponsors, the Project Manager, the Investment Manager and each of their associates and the Sponsor Group; and (iii) the Trustee has been disclosed. Details of proceedings related to direct and indirect taxes have been disclosed in a consolidated manner, indicating the number of cases and the total amount.

In respect of the MSPL Sponsor and its associates (including Mahindra and Mahindra which forms part of the Sponsor Group), all outstanding civil cases, litigations, claims and matters which involve an amount exceeding 5% of the consolidated net-worth or consolidated income of the MSPL Sponsor as on March 31, 2023, being approximately ₹ 428.80 million and ₹ 417.41 million, respectively, whichever is less have been considered material.

In respect of the OTPP Sponsor and its associates (including OTPPB and 2452991 Ontario Limited (which both form part of the Sponsor Group)), all outstanding civil cases, litigations, claims and matters which involve an amount exceeding 1% of the net assets of OTPPB as on December 31, 2022, being approximately C\$ 2.472 billion, is considered material.

Additionally, all outstanding cases where an adverse outcome would materially and adversely affect the business, operations, prospects or reputation of the Sponsors and Sponsor Group, irrespective of the amount involved, have been considered material.

In respect of the Investment Manager and its associates, all outstanding civil cases, litigations, claims and matters which involve an amount exceeding 5% of the consolidated net-worth of the Investment Manager, as on July 31, 2023, being approximately ₹ 5.05 million. In respect of the Project Manager and its associates, there are no civil litigation, regulatory action, tax proceeding or criminal litigation, which are outstanding involving the Project Manager and its Associates (including the Investment Manager and the OTPP Sponsor). Additionally, all outstanding cases which are nor quantifiable but where an adverse outcome would materially and adversely affect the business of the Investment Manager and the Project Manager, have been considered material.

In respect of the Trustee, all outstanding civil matters which involve an amount equal to or exceeding 5% of the profit after tax (for the financial year ended March 31, 2023), being approximately ₹ 12.32 million, have been considered material.

In relation to the the Trust, its associates (apart from entities which are associates of the Sponsors and the Investment Manager) and the Initial Portfolio Assets, all outstanding civil cases which involve an amount equivalent to or exceeding 5% of the total combined income of the Trust and the Initial Portfolio Assets for the financial year ended March 31, 2023, being approximately ₹ 382.50 million have been considered material. Further, all outstanding matters that may have a material impact on each of the Trust or the Initial Portfolio Assets in terms of its business, operations, financial position, prospects or reputation, have been considered material for the purposes of disclosure in this section.

A. Litigation and regulatory actions involving the Trust, the Initial Portfolio Assets and its Associates.

Regulatory Proceedings involving Initial Portfolio Assets

1. MRPL has filed an appeal before the Appellate Tribunal for Electricity, New Delhi (“**Tribunal**”) against Central Electricity Regulatory Commission (“**CERC**”), Madhya Pradesh Power Management Company Limited, Rewa Ultra Mega Solar (Rums) Limited, Western Region Load Dispatch Centre, Arinsun Clean Energy Private Limited and Athena Jaipur Solar Power Private Limited. The appeal has been filed by MRPL before the Tribunal under section 111(1) and section 111(2), read with section 120 of the Electricity Act, 2003, in order to challenge the legality, propriety and correctness of the order dated April 25, 2022 (“**Order**”) passed by the CERC. CERC through its Order directed MRPL, along with other solar power developers, to execute fresh power purchase agreement for the purpose of (i) drawing power either from the distribution licensee of the relevant state or with any other entity through an open access or (ii) for procuring power during the non-generation hours or during the shutdown period. In the current appeal, MRPL had

sought appropriate order/direction to set aside the observations made by the CERC in the impugned Order. The matter is currently pending.

2. MRPL has filed a petition before the Central Electricity Regulatory Commission (“**CERC**”) against Solar Energy Corporation of India Limited (“**SECI**”) dated October 22, 2021. MRPL has filed the petition under section 79(1)(b) Section 79(1)(f) and Section 79(1)(k) of the Electricity Act, 2003 and the power purchase agreement dated December 28, 2018, wherein MRPL had (i) sought issuance of appropriate directions or declarations from CERC stating that the imposition of safeguard duty on the import of solar cells (including solar cells which are assembled in modules or panels) vide notification no. 2/2020-Customs (SG) dated July 29, 2020 issued by the Department of Revenue, Ministry of Finance is an event of ‘change in law’; (ii) sought issuance of appropriate directions to declare and allow MRPL to claim additional cost of ₹ 883.02 million (i.e. sum of ₹ 808.21 million paid as safeguard duty to the Government plus the carrying cost calculated at the rate of 10.41% totalling to ₹ 74.81 million considered from the date of payment to the date of COD) on account of the change in law event, i.e. imposition of safeguard duty by the Ministry of Finance vide its notification dated July 29, 2020 and (iii) also sought approval of the quantum and mechanism of compensation (along with interest) as per the methodology provided by CERC vide its order dated August 20, 2021 in petition no. 536/MP/2020. The matter is currently pending.
3. MSUPL has filed a petition before the Central Electricity Regulatory Commission (“**CERC**”) against Solar Energy Corporation of India Limited (“**SECI**”) dated April 12, 2023. The petition has been filed before CERC under section 79(1)(b) read with section 79(1)(f) of the Electricity Act, 2003, in relation to the power purchase agreement dated May 31, 2020 entered into between MSUPL and SECI. MSUPL had sought an order from CERC which *inter alia* (i) approves the occurrence of a ‘change in law’ event; and (ii) provides consequential relief to compensate for the increase in capital cost due to promulgation of notification no. 08/2021 – integrated tax (rate) dated September 30, 2021 issued by the Ministry of Finance due to which the rate of GST applicable on solar power-based devices was increased. The matter is currently pending.
4. BREPL (“**Petitioner**”) filed a petition before the Andhra Pradesh Electricity Regulatory Commission seeking issuance of appropriate order(s)/ directions to Southern Power Distribution Company of Andhra Pradesh Limited (“**APSPDCL**”) for (a) payment of outstanding dues in terms of the invoices raised by BREPL; (b) late payment surcharge; (c) opening of Letter of Credit; (d) payment for generation loss due to curtailment of power; and (e) challenging APSPDCL’s letter for installation of excess PV modules than installed capacity as per PPA. While the Andhra Pradesh Electricity Regulatory Commission has passed an order in the favour of the Petitioner for payment of all dues, APSPDCL has partially released sums due to the Petitioner. However, some portions of the sums are still to be released to the Petitioner. The outstanding amounts still to be received from APSPDCL is not more than ₹ 180.00 million. This matter is currently ongoing.
5. NSPL (“**Petitioner**”) filed a petition before Telangana State Electricity Regulatory Commission (“**TSERC**”) seeking payment of outstanding dues by Northern Power Distribution Company of Telangana Limited under various invoices raised by the Petitioner along with the late payment surcharge and directions to open of letter of credit. TSERC vide its order dated August 8, 2022 granted relief sought by the Petitioner i.e. towards payment of the billed amount and the claim of interest. TSERC also passed an order directing the Northern Power Distribution Company of Telangana Limited to put in place an irrevocable revolving letter of credit issued in favour of the Petitioner in terms of the power purchase agreement. The total amount outstanding is ₹ 36.11 million, which is equivalent to one month’s tariff for the entire month of May, 2022. The recovery process is presently ongoing.
6. MSPL has filed an appeal before the Appellate Tribunal for Electricity, New Delhi (“**Tribunal**”) against Rajasthan Electricity Regulatory Commission (“**RERC**”), Solar Energy Corporation of India Limited (“**SECI**”) and Rajasthan Urja Vikas Nigam Limited. The appeal has been filed by MSPL before the Tribunal under section 111(1) and section 111(2) of the Electricity Act, 2003 read with the power purchase agreement dated January 15, 2020 entered into between MSPL and SECI in order to challenge the legality, correctness and justifiability of the order dated December 30, 2021 passed by RERC (“**Order**”). RERC through its Order had refused/rejected to allow imposition of safeguard duty under the Ministry of Finance notification dated July 29, 2020 (“**SGD Notification**”) as a “change in law” event and consequently rejected the compensation as claimed by various solar developers towards change in law relief. MSPL was not a party to the proceedings before RERC. SECI while referring to the Order, vide its letter dated March 9, 2022 (in response to the change in law notice issued by MSPL on February 10, 2022) has rejected the change in law claim of MSPL. Subsequently, MSPL has filed the Appeal before the Tribunal. The matter is currently pending.*

* The Goyalri Projects and the SECI RJ Project have been demerged from the MSPL Sponsor into Emergent Solren Private Limited pursuant to an order of the National Company Law Tribunal, Mumbai dated July 27, 2023. The scheme of demerger is effective from September 1, 2023. Subsequently the outstanding litigations pertaining to the Goyalri Projects and the SECI RJ Project have been transferred to Emergent Solren Private Limited.

Outstanding Civil Litigation involving Initial Portfolio Assets

1. Please note that we are not a party to this suit but we consider it to be material on account of MSUPL occupying the disputed land. Khet Singh (“**Petitioner**”) has filed a suit before the Court of Civil Magistrate, Junior Division, Falodi against Bhanwar Singh (“**Respondent**”) dated August 7, 2023 challenging, *inter alia*, the legality of the will pursuant to which the land was transferred in favour of Madho Singh, the father of the Respondent. The Respondent had since inherited the disputed land subsequent to passing away of Madho Singh. The matter is currently pending.
2. Laxmanram has filed a plaint before the Court of Deputy Commissioner, Colonization, Bikaner against Arjun Singh, MSUPL and others challenging the grant of Khatadari rights to Geeta and Chhoti on account of the fact that Geeta and Chhoti had passed away at the time of granting the Khatadari rights to Arjun Singh, MSUPL and others. Laxmanram had also challenged the legality of the documents basis which the transfer of Khatadari rights was concluded. The matter is currently pending.

Other matters that may impact certain of the Initial Portfolio Assets

A petition was filed before the Supreme Court in relation to the protection of the Great Indian Bustard (“**GIB**”) (specifically in the states of Gujarat and Rajasthan) and the first order of the Supreme Court in the case was issued on April 19, 2021. This order *inter alia* directed: (a) conversion of overhead cables into underground powerlines wherever feasible (within 1 year from the date of the order); and (b) installation of bird divertors pending consideration of the conversion of overhead cables into underground powerlines. The order further instructed constitution of 3 (three) member committee for assessing the feasibility of laying of high voltage underground power lines, on a case-to-case basis, allowing for specific representations from the affected power producers. (“**GIB Committee**”). The Supreme Court issued another order on April 21, 2022 which observed *inter alia* that: (a) the installation of the bird divertors in priority areas (as identified in the April 19, 2021 order) was required to be completed before July 20, 2022; (b) such direction was to govern all State owned as well as private power producers; and (c) any company which seeks an exemption from the direction to install underground transmission lines, shall be at liberty to move the GIB Committee and any grievance thereafter may be submitted before the Supreme Court. No orders are provided in the public domain regarding the July 20, 2022 listing. Given that MSUPL, MRPL and ESPL operate projects in the affected jurisdictions, this matter may affect them. The financial impact of this matter is unascertainable presently. The matter is currently ongoing.

B. Litigation and regulatory actions involving the Sponsors and its Associates and the Sponsor Group

Litigation and Regulatory Proceedings involving MSPL Sponsor, its Associates and Mahindra and Mahindra Limited (part of the Sponsor Group)

MSPL Sponsor

Outstanding Civil and Statutory Litigation

1. Mahindra Susten Private Limited (the “**Petitioner**” / “**MSPL**”) filed a petition against Hindustan Zinc Limited for the non-payment of principal and interest component of the safeguard duty which was imposed vide order of the Government of India dated July 30, 2019 (“**SGD Notification**”) before the National Company Law Tribunal, Jaipur (the “**NCLT**”). Hindustan Zinc Limited paid the principal component of the safeguard duty but refrained from payment of the interest component of the safeguard duty. While an order dated November 28, 2022 was passed by the NCLT (“**NCLT Order**”) for amicable settlement between the parties for the payment of the interest component of safeguard duty, Hindustan Zinc Limited did not honour the NCLT Order and, instead, filed an appeal against the NCLT Order before the National Company Law Appellate Tribunal, Principal Bench, New Delhi (“**NCLAT**”). NCLAT has passed an order whereby the forum has acknowledged that the interest component of the safeguard duty is payable by Hindustan Zinc Limited, however, the forum has ordered the Petitioner to approach an appropriate forum for recovery. The aggregate amount involved in the matter is ₹109.70 million. The Petitioner is in the process of initiating arbitration against Hindustan Zinc Limited.

Outstanding Regulatory Litigation

1. MSPL has received show cause notices dated December 2, 2021 and May 25, 2022 from the Cost Audit Branch of the Ministry of Corporate Affairs, under Section 148 of the Companies Act 2013, seeking explanation for the reasons behind non-appointment of a cost auditor by MSPL and not conducting cost audit in FY 2016-17. MSPL has provided a response to the said notice on July 10, 2022 and awaits a revert from the Cost Audit Branch in this regard.

Outstanding Criminal Litigation

1. MSPL Sponsor has filed a criminal complaint against Ajit Bhagwan Kulkarni (the “Accused”) alleging cheating and criminal breach of trust under Sections 420 and 405 of the Indian Penal Code, 1860 respectively before the Bombay High Court. The matter is currently pending.

MSPL Sponsor – Associates

Gromax Agri Equipment Limited

1. Gromax Agri Equipment Limited has filed 42 criminal cases against various parties for recovery of debt aggregating to ₹ 117.30 million, under Section 138 of Negotiable Instrument Act, 1881 before the Judicial Magistrate First Class, Vadodara. The matters are currently pending.
2. Gromax Agri Equipment Limited has filed 17 criminal cases against various parties for recovery of debt aggregating to ₹ 16.80 million, under Section 138 and 142 of Negotiable Instrument Act, 1881 before the Judicial Magistrate First Class, Vadodara. The matters are currently pending.

Bristlecone India Ltd.

1. Bristlecone India Limited (the “**Company**”) had filed an appeal before the Commissioner of Income Tax (Appeal) (“**CIT(A)**”) in relation to deduction claimed under section 10A of Income Tax Act, 1961 which was partially allowed by the assessing officer through its order dated March 14, 2013. (“**Assessment Order**”). The assessing officer has issued demand including interest and penalty for ₹ 14.60 million through its order dated October 25, 2016 and March 28, 2018. CIT(A), through its order dated March 2, 2016 (the “**Order**”), held that the Company was not entitled to deduction under section 10A of the Income Tax Act, 1961 as it had not manufactured or produced any article or thing or computer software or computer program and disallowed the claim under section 10A of the Income Tax Act, 1961. CIT(A), through another order dated July 27, 2016 levied penalty amounting to ₹ 4.29 million (“**Penalty Order**”).

The Company filed appeals against the Order and Penalty Order before the Hon’ble Income tax Appellate Tribunal (“**ITAT**”). Hon’ble ITAT through its orders dated April 4, 2018 and December 3, 2018 has restored the Order and Penalty Order back to CIT(A) for fresh consideration.

Subsequently, Principal Commissioner of Income tax (PCIT) sanctioned the Company under section 276C(1) along with section 278B of the Income Tax Act, 1961, and a complaint was filed against the Company and its Directors (namely Mr. Ulhas Narayan Yargop, C Krishnadas, Kandasamy Chandrasekar and S Venkataraman) before the Hon’ble Additional Metropolitan Magistrate Court, Ballard Pier, Mumbai (“**Hon’ble Magistrate Court**”) (“**Prosecution Complaint**”) under section 276C(1) along with section 278B of the Income Tax Act, 1961.

Pursuant to the Prosecution Complaint, summon notices were issued by the Hon’ble Magistrate Court to the Company and its Directors (namely Mr. Ulhas Narayan Yargop, C Krishnadas, Kandasamy Chandrasekar and S Venkataraman). The Company has filed bail applications for Mr. C Krishnadas and Mr. S. Venkataraman dated May 20, 2023 and for Mr. Ulhas Yargop and Mr. Kandasamy Chandrasekar dated July 20, 2023 before the Hon’ble Magistrate Court and was granted bail on the same dates respectively.

The Prosecution Complaint is currently pending before the Hon’ble Magistrate Court.

Marvel Solren Private Limited

1. Marvel Solren Private Limited is a respondent in Writ Appeal No. 1664 of 2019 (“**Writ Appeal 1**”) and Writ Appeal No. 1176 of 2019 (“**Writ Appeal 2**”). The Writ Appeal 1 was filed by Bangalore Electricity Supply Company Limited (“**BESCOM**”) and the Writ Appeal 2 was filed by Karnataka Electricity Regulation Commission (“**KERC**”) before the Karnataka High Court. This Writ Appeal arises out of the order of J. Sujatha dated March 13, 2019, in WP No. 23851 of 2018 and connected matters (“**Original Writ Petition**”).

The Original Writ Petition was filed on behalf of Marvel Solren Private Limited challenging the KERC order dated May

14, 2018 through which the KERC discontinued the exemption from paying wheeling & banking charges for solar projects and increased the wheeling & banking charges from 5% and 2% of injected energy to 25% of the normal transmission charges for wind projects. The exemption from payment of wheeling and banking charges were applicable for a period of ten years from the date of commissioning for projects commissioned on or before March 31, 2018 by virtue of the KERC's tariff orders from time to time. Marvel Solren Private Limited's solar project was commissioned on March 28, 2018.

J. Sujatha had allowed the Original Writ Petition and set aside the KERC's order of May 14, 2018, on the grounds of legitimate expectation, promissory estoppel, and KERC's lack of jurisdiction to interfere in settled contracts under its adjudicatory powers. The Writ Appeal 1 was admitted on October 25, 2019 and Writ Appeal 2 is yet to be admitted. The matter is currently ongoing.

Mahindra First Choice Wheels Limited

1. Mahindra First Choice Wheels (“**Complainant**”) filed a protest petition against M/s BNS Auto Mart and others (the “**Accused**”) before the Hon’ble Additional Session Judge Gautam Buddhagar, Uttar Pradesh for reinvestigation of the FIR dated December 24, 2022 filed before PS 57, Gautam Buddha Nagar against the accused in relation to defrauding and cheating the Complainant– 1) by refusing to pay the Complainants outstanding amount of ₹35,322,810 which was payable by the Accused towards financial assistance provided by the Complainant in the form of Vehicle sold to the Accused on credit basis as part of superstore business arrangement and for facilitating sale of vehicles by the Accused as a MFC Superstore dealer, 2) allegedly holding the possession of 41 vehicles in its custody on which Complainant has rightful lien over the said vehicles. 3) for providing forged documents to the Complainant while onboarding the Accused as Superstore dealer. However, the Investigating Officer allegedly failed to record substantial information in the FIR as to fraud and cheating that was provided by the Complainant. Further, closure report was filed on April 24, 2023 under section 173 of Code of Criminal Procedure, 1973 before the Hon’ble Chief Judicial Magistrate, Gautam Buddhagar, Uttar Pradesh. The Protest petition matter is pending before the Hon’ble Additional Session Court.

Mahindra & Mahindra Limited (part of the Sponsor Group)

Outstanding Civil and Statutory Litigation

1. Mahindra & Mahindra Limited (Plaintiff) filed a commercial suit before the High Court of Judicature at Bombay against BOXCO Logistics India Private Limited (Defendant) under Commercial Court Act, 2015 for recovery of damages caused to the mid-speed press line and its components and accessories on MV HAN XIN Vessel during the transit from Kobe Port, Japan to MVML Plant, Chakan, India. The Plaintiff has prayed before the court for the recovery of an aggregate amount of ₹ 647.78 million. The matter is currently pending.
2. Mahindra & Mahindra Limited (the “**Company**”) filed an intervention application in a pending case between Union of India vs ILFS & Others, pursuant to an order dated February 4, 2019 passed by National Company Law Appellate Tribunal at New Delhi (“**NCLAT**”) *inter alia* permitting financial creditors of ILFS to file an appropriate application seeking intervention in the present appeal. Since the Company has invested in ILFS by way of non-convertible debentures, being a financial creditor of ILFS, the Company is seeking recovery of an amount of ₹ 1,617.42 million. The matter is currently pending with NCLAT.
3. A writ petition was filed by Mahindra and Mahindra Limited (Petitioner) against the Board of Mumbai Port Authority (“**MBPA**”) (Respondent) for the retrospective demand basis fair market rate for the Lease Property at Apollo Reclamation and Sewree by MBPA. The claim amount is ₹ 987.11 million. The matter is currently pending before Bombay High Court.
4. In August 2014 the Competition Commission of India (CCI) passed an Order against 14 OEMs – Original Equipment Manufacturers including Mahindra & Mahindra Limited, holding them liable for indulging in anti-competitive practices with regard to supply of spare parts. A penalty of ₹ 2,922.50 million was imposed on Mahindra & Mahindra Limited. By Writ Petition filed in the Delhi High Court (High Court), several OEM's (including Mahindra & Mahindra Limited) challenged the constitutionality of certain provisions of the Competition Act. The High Court disposed off the said writ petitions through an order dated April 10, 2019 (“**April 2019 Order**”), upholding certain contentions of the OEMs (including Mahindra & Mahindra Limited) and dismissing the rest. In light of the above, both, the OEMs (including Mahindra & Mahindra Limited) and the CCI have filed their respective challenges to the April 2019 Order by way of Special Leave Petition on April 22, 2019. In connection with the above matter, Mahindra & Mahindra Limited filed a Special Leave Petition before the Supreme Court of India against the CCI under section 22(3) and section 53E of the Competition Act 2002. The matter is currently pending.

Outstanding Criminal Matters

1. A criminal complaint under section 200 of the Code of Criminal Procedure, 1967 has been filed on June 07, 2023 by Mahindra and Mahindra Limited against the State of Punjab and Moninder Singh Walia (the “**Accused**”) alleging defamation under sections 499 and 500 of India Penal Code, 1860 before the Chief Judicial Magistrate, SAS Nagar. The matter is currently pending.
2. The Metropolitan Magistrate Court, Bhoiwada issued summons based on two criminal complaints filed by Rahul Patil (Complainant) against Mahindra and Mahindra Limited & Others. (the “**Accused**”) alleging cheating under sections 420 and 34 of the Indian Penal Code, 1860. Two separate quashing petitions have been filed before Bombay High Court by Mahindra and Mahindra Limited (Petitioner) against the State of Maharashtra and Ors. (the “**Respondent**”) under section 482 of the Code of Criminal Procedure praying for the quashing of the above-mentioned process. The Hon’ble Bombay High Court has granted a stay and the matters are currently pending.
3. Mahindra & Mahindra Limited (the “**Company**”) has filed a complaint under section 138 of Negotiable Instruments Act, 1881 against Jaya Chinnappa (“**Accused**”) before Metropolitan Magistrate Court, Ballard Pier for dishonour of cheques amounting to ₹ 4.72 million. The learned Magistrate Court acquitted the Accused vide an order dated October 5, 2018. An appeal was filed by the Company against Jaya Chinnappa (Respondent) under section 378(4) of the Code of Criminal Procedure against the acquittal order. The Appeal is pending before Bombay High Court.
4. Mahindra & Mahindra filed a criminal complaint against Alsa Tractors (partnership firm) & Ors. for cheating and fraud under sections 417, 419 and 420 of the Indian Penal Code, 1860 before Judicial Magistrate First Class (“**JMFC**”), Rampur. The JMFC has dismissed the criminal complaint by an order dated April 16, 2022 (the “**Order**”), pursuant to which Mahindra and Mahindra Limited has filed a revision petition before the District and Sessions Court, Rampur to challenge the above-mentioned Order through a revision petition filed under section 397 of Code of Criminal Procedure. The matter is currently pending before the District and Sessions Court, Rampur.
5. Mahindra & Mahindra Limited (the “**Company**”) has filed a complaint under section 138 of Negotiable Instruments Act, 1881 before Metropolitan Magistrate Court, Bangalore for dishonour of cheques amounting to ₹ 2.50 million. The learned Magistrate Court dismissed the complaint for non-prosecution vide an order dated July 31, 2019 (“**Dismissal Order**”). An appeal was filed by the Company against Divya Tractors (Respondent) under section 397 of Code of Criminal Procedure against the Dismissal Order. The above mentioned appeal is pending before Court of the Principal City Civil & Session Judge at Bangalore.
6. The Judicial Magistrate, Gaya issued summons through an order dated January 18, 2018 pursuant to a complaint filed by Santosh Das against Managing Director of MTWL (Mahindra Two Wheelers Limited) alleging offence under sections 420, 384, 406 read with section 34 of Indian Penal Code. Mahindra & Mahindra Limited has filed a quashing petition under section 482 of Code of Criminal Procedure before the Patna High Court challenging the issuance of summons. The High Court of Patna has stayed the January 18, 2018 order. The matter is currently pending.
7. Nareshchandra Tiwari has filed a criminal complaint against the Chairman and Officer of Mahindra & Mahindra Limited & Ors (the “**Company**”) alleging cheating under section 420 of Indian Penal Code before the court of Magistrate Court-I, Indore. The Company has filed quashing petition under section 482 of the Code of Criminal Procedure before the Madhya Pradesh High Court, Indore challenging the issuance of process order dated January 24, 2019. Madhya Pradesh High Court, Indore has stayed the above-mentioned issuance of summons order. The matter is currently pending.
8. Mahindra & Mahindra Limited has filed 54 criminal cases against various parties for recovery of debt aggregating to ₹ 581.19 million under section 138 of Negotiable Instrument Act, 1881 before various Metropolitan Magistrate Court or Judicial Magistrate Court across Maharashtra. The matters are currently pending.

NBS International Limited

1. The Metropolitan Magistrate Court, Bhoiwada issued summons based on two criminal complaints filed by Rahul Patil (Complainant) against NBS International & Others. (the “**Accused**”) alleging cheating under sections 420 and 34 of the Indian Penal Code, 1860. Two separate quashing petitions have been filed before Bombay High Court by NBS International (Petitioner) against the State of Maharashtra and Ors. (the “**Respondent**”) under section 482 of the Code of Criminal Procedure praying for the quashing of the above-mentioned process. The Hon’ble Court has granted a stay and the matter is currently pending.

Litigation and Regulatory Proceedings involving the OTPP Sponsor, its Associates, OTPPB and 2452991 Ontario Limited (part of the Sponsor Group)

Nil

C. Litigation involving the Project Manager and its Associates

Nil

D. Litigation involving the Investment Manager and its Associates

Nil

E. Litigation involving the Trustee

As at the date of this Draft Placement Memorandum, there are no material litigation or any outstanding criminal litigation or non-ordinary course regulatory actions against the Trustee.

F. Tax Proceedings

Details of all direct tax and indirect tax matters against the Trust, the Initial Portfolio Assets, the Sponsors, the Sponsor Group, the Project Manager, the Investment Manager and their respective Associates, as of the date of this Draft Placement Memorandum, are as follows:

Sr. No.	Nature of Case	Number of cases	Amount involved (in ₹ million)
Trust and its Associates			
<i>Trust</i>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<i>MSUPL</i>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<i>MRPL</i>			
1.	Direct Tax	4	240.70
2.	Indirect Tax	1	120.90
<i>ASPL</i>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<i>NSPL</i>			
1.	Direct Tax	1	0.03
2.	Indirect Tax	-	-
<i>BREPL</i>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
<i>ESPL</i>			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
MSPL Sponsor*			
1.	Direct Tax	7	134.00
2.	Indirect Tax	27	2,245.86
Associates of MSPL Sponsor (apart from MSPL subsidiaries and the Initial Portfolio Assets)			
1.	Direct Tax	20	121.85
2.	Indirect Tax	16	109.42
OTPP Sponsor and its Associates			
1.	Direct Tax	2	1,401.00
2.	Indirect Tax	-	-
Project Manager and its Associates			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
Investment Manager and its Associates			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
Mahindra and Mahindra (part of the Sponsor Group) ⁽¹⁾			

Sr. No.	Nature of Case	Number of cases	Amount involved (in ₹ million)
1.	Direct Tax	96	19,118.00
2.	Indirect Tax	175	31,398.00
OTPPB and 2452991 Ontario Limited (part of the Sponsor Group)			
1.	Direct Tax	2	1,401.00
2.	Indirect Tax	-	-

(1) Note: Please note that information in relation to tax litigation of M&M has been included as of August 31, 2023.

*Including its subsidiaries apart from the Initial Portfolio Assets.

SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchange and has not been prepared or independently verified by the Parties to the Trust or the Placement Agents or any of their respective affiliates or advisors. The information below is given for the benefit of investors in the Offer. Investors are advised to make their independent investigations and ensure that they are eligible to subscribe to, purchase or otherwise acquire the Units they Bid for under Indian laws or regulations.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the 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 Securities Contracts (Regulation) Act, 1956 (“**SCRA**”) and the Securities Contracts (Regulation) Rules, 1957 (“**SCRR**”). SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified 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 portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Units

The InvIT Regulations provide for listing and delisting of units of infrastructure investment trusts on the stock exchanges.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1957, 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.

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. The 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 the NSE.

Trading Hours

Trading on the NSE 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). The NSE is 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

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.

SELLING AND TRANSFER RESTRICTIONS

The distribution of this Draft Placement Memorandum and the offer, sale or delivery of the Units is restricted by law in certain jurisdictions. Persons who may come into possession of this Draft Placement Memorandum are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Draft Placement Memorandum may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized. Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Units or making any resale, pledge or transfer of the Units.

Each purchaser of the Units in this Offer will be deemed to have made acknowledgments and agreements as described under “Notice to Investors – Representations by Eligible Investors” on page 2 of this Draft Placement Memorandum.

Republic of India

This Draft Placement Memorandum may not be distributed directly or indirectly in India or to residents of India and any Units may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible Investors and is not an offer to the public. This Draft Placement Memorandum is neither a public issue nor a prospectus under the Companies Act, 2013 or an advertisement and should not be circulated to any person other than to whom this Offer is made. The Placement Memorandum and Final Placement Memorandum has not been and will not be registered as a prospectus with any Registrar of Companies in India.

No action has been taken or will be taken by the Trust, the Investment Manager or the Placement Agents that would permit a public offering of the Units to occur in any jurisdiction, or the possession, circulation or distribution of the Draft Placement Memorandum or any other material relating to the Trust or the Units in any jurisdiction where action for such purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and the Draft Placement Memorandum, any offering materials and any advertisements in connection with the offering of the Units may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Offer will be made in compliance with the applicable InvIT Regulations. Each purchaser of the Units in this Offer will be deemed to have made acknowledgments and agreements as described under “Notice to Investors” on page 1, “Notice to Investors - Representations by Eligible Investors” on page 2 and these Selling and Transfer Restrictions.

Australia

This Draft Placement Memorandum:

1. does not constitute a product disclosure document or prospectus under Chapter 6D.2 of the Corporations Act 2001 (Cth) (“**Australian Corporations Act**”);
2. has not been, and will not be, lodged with the Australian Securities and Investments Commission (“**ASIC**”), as a disclosure document for the purposes of the Corporations Act and does not purport to include the information required of a disclosure document under Chapter 6D of the Australian Corporations Act;
3. does not constitute or involve a recommendation to acquire, an offer or invitation for issue or sale, an offer or invitation to arrange the issue or sale, or an issue or sale, of interests to a “retail client” (as defined in section 761G of Australian Corporations Act and applicable regulations) in Australia; and
4. may only be provided in Australia to select investors who are able to demonstrate that they fall within one or more of the categories of investors, or Exempt Investors, available under section 708 of the Australian Corporations Act.

The Units may not be directly or indirectly offered for subscription or purchased or sold, and no invitations to subscribe for or buy the Units may be issued, and no draft or definitive placement memorandum, advertisement or other offering material relating to any Units may be distributed in Australia, except where disclosure to investors is not required under Chapter 6D of the Australian Corporations Act or is otherwise in compliance with all applicable Australian laws and regulations. By submitting an application for the Units, you represent and warrant to us that you are an Exempt Investor.

As any offer of Units under this Draft Placement Memorandum will be made without disclosure in Australia under Chapter 6D.2 of the Australian Corporations Act, the offer of those securities for resale in Australia within 12 months may, under section 707 of the Australian Corporations Act, require disclosure to investors under Chapter 6D.2 if none of the exemptions in section 708 applies to that resale. By applying for the Units you undertake to the Issuer that you will not, for a period of 12 months from the date of issue of the Units, offer, transfer, assign or otherwise alienate those securities to any person in Australia except in circumstances where disclosure to such person is not required under Chapter 6D.2 of the Australian Corporations Act or where a compliant disclosure document is prepared and lodged with ASIC.

Bahrain

All applications for investment should be received, and any allotments should be made, in each case from outside Bahrain. This Draft Placement Memorandum has been prepared for private information purposes of intended investors only who will be high net worth individuals and institutions. The Trust has not made and will not make any invitation to the public in the Kingdom of Bahrain and this Draft Placement Memorandum will not be issued, passed to, or made available to the public generally. The Bahrain Monetary Agency (“**BMA**”) has not reviewed, nor has it approved, this Draft Placement Memorandum or the marketing of Units in the Kingdom of Bahrain. Accordingly, Units may not be offered or sold in Bahrain or to residents thereof except as permitted by Bahrain law.

British Virgin Islands

The Units are not being, and may not be offered to the public or to any person in the British Virgin Islands for purchase or subscription by or on the behalf. The Units may be offered to companies incorporated under the BVI Business Companies Act, 2004 (British Virgin Islands) (each a “**BVI Company**”), but only where the offer will be made to, and received by, the relevant BVI Company entirely outside of the British Virgin Islands.

This Draft Placement Memorandum has not been, and will not be, registered with the Financial Services Commission of the British Virgin Islands. No registered prospectus has been or will be prepared in respect of the Units for the purposes of the Securities and Investment Business Act, 2010 or the Public Issuers Code of the British Virgin Islands.

Cayman Islands

No offer or invitation to subscribe for Units may be made to the public in the Cayman Islands to subscribe for any of the Units but an invitation or offer may be made to sophisticated persons (as defined in the Cayman Islands Securities Investment Business Law (the “**SIBL**”), high net worth persons (as defined in the SIBL) or otherwise in accordance with the SIBL.

The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this document nor taken steps to verify the information set out in it and has no responsibility for it. The Units to which this Draft Placement Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the Units offered should conduct their own due diligence on the Units.

Dubai International Financial Centre

This Placement Memorandum relates to an Exempt Offer in accordance with the Markets Rules Module of the Dubai Financial Services Authority (“**DFSA**”) Rulebook. This Draft Placement Memorandum is intended for distribution only to persons of a type specified in the Markets Rules Module. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this Draft Placement Memorandum nor taken steps to verify the information set forth herein and has no responsibility for this Draft Placement Memorandum. The securities to which the Draft Placement Memorandum relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of the securities offered should conduct their own due diligence on the securities. If you do not understand the contents of this Draft Placement Memorandum you should consult an authorized financial advisor.

In relation to its use in the Dubai International Financial Centre, this Draft Placement Memorandum is strictly private and confidential and is being distributed to a limited number of investors and must not be provided to any person other than the original recipient and may not be reproduced or used for any other purpose. The interests in the securities may not be offered or sold directly or indirectly to the public in the Dubai International Financial Centre.

European Economic Area

In relation to each Member State of the European Economic Area (each a “**Relevant State**”), no Units have been offered or will be offered pursuant to the Issue to the public in that Relevant State prior to the publication of a prospectus in relation to the Units which has been approved by the competent authority in that Relevant State or, where appropriate, approved in another Relevant State and notified to the competent authority in that Relevant State, all in accordance with the Prospectus Regulation, except that the Units may be offered to the public in that Relevant State at any time:

- a. to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Placement Agents for any such offer; or

- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation, provided that no such offer of the Units shall require the Trust or any Placement Agents to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Units in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Units to be offered so as to enable an investor to decide to purchase or subscribe for any Units, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Hong Kong

- (i) The Units have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document other than (a) to “professional investors” as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the “SFO”) and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the “CWUMPO”) or which do not constitute an offer to the public within the meaning of the CWUMPO.
- (ii) No advertisement, invitation or document relating to the Units has been or will be issued for the purposes of the issue, whether in Hong Kong or elsewhere, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong), other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” as defined in the SFO and any rules made under the SFO.

Kuwait

The Units have not been authorised or licensed for offering, marketing or sale in the State of Kuwait. The distribution of this Placement Memorandum and the offering and sale of the Units in the State of Kuwait is restricted by law unless a license is obtained from the Kuwaiti Ministry of Commerce and Industry in accordance with Law 31 of 1990.

Malaysia

No prospectus or other offering material or document in connection with the offer and sale of the Units has been or will be registered with the Securities Commission of Malaysia (“**Commission**”) for the Commission’s approval pursuant to the Capital Markets and Services Act 2007. Accordingly, this Draft Placement Memorandum, and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Units may not be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Malaysia other than (i) a closed end fund approved by the Commission; (ii) a holder of a Capital Markets Services Licence; (iii) a person who acquires the Units, as principal, if the offer is on terms that the Units may only be acquired at a consideration of not less than RM250,000 (or its equivalent in foreign currencies) for each transaction; (iv) an individual whose total net personal assets or total net joint assets with his or her spouse exceeds RM3 million (or its equivalent in foreign currencies), excluding the value of the primary residence of the individual; (v) an individual who has a gross annual income exceeding RM300,000 (or its equivalent in foreign currencies) per annum in the preceding twelve months; (vi) an individual who, jointly with his or her spouse, has a gross annual income of RM400,000 (or its equivalent in foreign currencies), per annum in the preceding twelve months; (vii) a corporation with total net assets exceeding RM10 million (or its equivalent in a foreign currencies) based on the last audited accounts; (viii) a partnership with total net assets exceeding RM10 million (or its equivalent in foreign currencies); (ix) a bank licensee or insurance licensee as defined in the Labuan Financial Services and Securities Act 2010; (x) an Islamic bank licensee or takaful licensee as defined in the Labuan Financial Services and Securities Act 2010; and (xi) any other person as may be specified by the Commission; provided that, in the each of the preceding categories (i) to (xi), the distribution of the Units is made by a holder of a Capital Markets Services Licence who carries on the business of dealing in securities. The distribution in Malaysia of this Placement Memorandum is subject to Malaysian laws. This Placement Memorandum does not constitute and may not be used for the purpose of public offering or an issue, offer for subscription or purchase, invitation to subscribe for or purchase any securities requiring the registration of a prospectus with the Commission under the Capital Markets and Services Act 2007.

Mauritius

The Units may not be offered or sold, directly or indirectly, to the public in Mauritius. Neither this Draft Placement Memorandum nor any offering material or information contained herein relating to the offer of the Units may be released or issued to the public in Mauritius or used in connection with any such offer. This Draft Placement Memorandum does not constitute an offer to sell the Units to the public in Mauritius and is not a prospectus as defined under the Companies Act 2001.

Sultanate of Oman

This Draft Placement Memorandum and the Units to which it relates may not be advertised, marketed, distributed or otherwise made available to any person in Oman without the prior consent of the Capital Market Authority (“**CMA**”) and then only in accordance with any terms and conditions of such consent. In connection with the offering of Units, no prospectus has been filed with the CMA. The offering and sale of Units described in this Draft Placement Memorandum will not take place inside Oman. This Draft Placement Memorandum is strictly private and confidential and is being issued to a limited number of sophisticated investors, and may neither be reproduced, used for any other purpose, nor provided to any other person than the intended recipient hereof.

Qatar (excluding the Qatar Financial Centre)

The Units have not been offered, sold or delivered, and will not be offered, sold or delivered at any time, directly or indirectly, in the State of Qatar in a manner that would constitute a public offering. This Draft Placement Memorandum has not been reviewed or registered with Qatari Government Authorities, whether under Law No. 25 (2002) concerning investment funds, Central Bank resolution No. 15 (1997), as amended, or any associated regulations. Therefore, this Draft Placement Memorandum is strictly private and confidential, and is being issued to a limited number of sophisticated investors, and may not be reproduced or used for any other purposes, nor provided to any person other than the recipient thereof.

The Capital Market Authority does not make any representation as to the accuracy or completeness of this Draft Placement Memorandum, and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Placement Memorandum. Prospective purchasers of the Units offered hereby should conduct their own due diligence on the accuracy of the information relating to this Draft Placement Memorandum. If you do not understand the contents of this Draft Placement Memorandum, you should consult an authorized financial adviser.

Qatar Financial Centre

The Draft Placement Memorandum does not, and is not intended to, constitute an invitation or offer of securities from or within the Qatar Financial Center (“**QFC**”), and accordingly should not be construed as such. This Draft Placement Memorandum has not been reviewed or approved by or registered with the Qatar Financial Centre Authority, the Qatar Financial Centre Regulatory Authority or any other competent legal body in the QFC. This Draft Placement Memorandum is strictly private and confidential and may not be reproduced or used for any other purpose, nor provided to any person other than the recipient thereof. The Trust has not been approved or licensed by or registered with any licensing authorities within the QFC.

Saudi Arabia

This Draft Placement Memorandum may not be distributed in the Kingdom of Saudi Arabia except to such persons as are permitted under the Offers of Securities Regulations as issued by the board of the Saudi Arabian Capital Market Authority (“**CMA**”) pursuant to resolution number 2-11-2004 dated October 4, 2004 as amended by resolution number 1-28-2008, as amended (the “**CMA Regulations**”). The CMA does not make any representation as to the accuracy or completeness of this Draft Placement Memorandum and expressly disclaims any liability whatsoever for any loss arising from, or incurred in reliance upon, any part of this Draft Placement Memorandum. Prospective purchasers of the Units offered hereby should conduct their own due diligence on the accuracy of the information relating to the Units. If you do not understand the contents of this Draft Placement Memorandum, you should consult an authorized financial adviser.

Singapore

This Draft Placement Memorandum has not been and will not be registered as a prospectus in Singapore with the Monetary Authority of Singapore. Accordingly, this Draft Placement Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Units may not be circulated or distributed, nor may the Units be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act, (Chapter 289), of Singapore as modified and amended from time to time (the “**Securities and Futures Act**”)) pursuant to Section 274 of the Securities and Futures Act, (ii) to a relevant person (as defined in Section 275(2) of the Securities and Futures Act) pursuant to Section 275(1) of the Securities and Futures Act, or any person pursuant to Section 275(1A) of the Securities and Futures Act, and in accordance with the conditions specified in Section 275 of the Securities and Futures Act, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the Securities and Futures Act.

Where the Units are subscribed or purchased under Section 275 of the Securities and Futures Act by a relevant person which is:

- (a) a corporation (which is not an accredited investor (as defined in Section 4A of the Securities and Futures Act)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- (b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities or securities-based derivatives contracts (each as defined in Section 239(1) of the Securities and Futures Act) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 275 of the Securities and Futures Act except:

- (1) to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the Securities and Futures Act;
- (2) where no consideration is or will be given for the transfer;
- (3) where the transfer is by operation of law;
- (4) as specified in Section 276(7) of the Securities and Futures Act; or
- (5) as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore.

Notification under Sections 309B(1)(a) and 309B(1)(c) of the SFA: The Trust determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Units are: (A) prescribed capital markets products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and (B) Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAAN16: Notice on Recommendations on Investment Products).

Taiwan

The Units have not and will not be registered with the Financial Supervisory Commission of Taiwan pursuant to relevant securities laws and regulations and may not be sold, issued or offered within Taiwan through a public offering or in circumstances which constitutes an offer within the meaning of the Securities and Exchange Act of Taiwan that requires a registration or approval of the Financial Supervisory Commission of Taiwan. No person or entity in Taiwan has been authorized to offer, sell, give advice regarding or otherwise intermediate the offering and sale of the Units in Taiwan.

United Arab Emirates (excluding the Dubai International Financial Centre)

This document does not constitute or contain an offer of securities to the general public in the United Arab Emirates (“UAE”). No offering, marketing, promotion, advertising or distribution (together, “**Promotion**”) of this document or the Units may be made to the general public in the UAE) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the “**SCA**”) and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors’ Chairman Decision no. (3/R.M.) of 2017 (the “**Promotion and Introduction Regulations**”), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural persons “**Qualified Investors**” (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this document nor does any such entity accept any liability for the contents of this document.

United Kingdom

This Draft Placement Memorandum is only directed at, and will only be provided to, persons to whom interests may lawfully be promoted pursuant to section 21 of the Financial Services and Markets Act 2000 (the “**FSMA**”). In particular, this Draft Placement Memorandum is only directed at, and will only be provided to, investment professionals (“**Relevant Persons**”) within the meaning of article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (“**FPO**”). Any investment or investment activity to which this Draft Placement Memorandum relates is available only to Relevant Persons and dealings hereunder will be made only with Relevant Persons. Persons who are not investment professionals within the meaning of article 19 of the FPO should not rely on this Draft Placement Memorandum.

This Draft Placement Memorandum has not been delivered for approval to the United Kingdom Financial Conduct Authority in the United Kingdom or to an authorized person within the meaning of the FSMA. No approved prospectus within the meaning

of section 85 of the FSMA or of the Prospectus Regulation has been published or is intended to be published in relation to the Offer. This Draft Placement Memorandum does not constitute a prospectus for the purposes of the FSMA or the Prospectus Regulation.

United States of America

Each purchaser or subscriber of Units in the United States will be deemed to have represented and agreed that it has received a copy of this Draft Placement Memorandum and such other information as it deems necessary to make an investment decision and that:

- i. it understands and agrees that the Units have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred, except (1) in an “offshore transaction” complying with Rule 903 or Rule 904 of Regulation S, (2) pursuant to an exemption from the registration requirements of the Securities Act, or (3) pursuant to an effective registration statement under the Securities Act and (4) in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States;
- ii. it understands that in the event Units are held in certificated form, such certificated Units will bear a legend substantially to the following effect:

“THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “**SECURITIES ACT**”), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT: (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (B) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED UNDER THE SECURITIES ACT FOR REALES OF THIS SECURITY.”;
- iii. any resale made other than in compliance with the above stated restrictions shall not be recognised by the Trust;
- iv. it agrees that it will give to each person to whom it transfers Units notice of any restrictions on transfer of such Units;
- v. it agrees that neither it, 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 with respect to the Units; and
- vi. it acknowledges that the Trust, the Sponsor and the Placement Agents 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 or agreements deemed to have been made by virtue of its purchase of Units are no longer accurate, it will promptly notify the Trust, the Sponsor and the Placement Agents, and if it is acquiring any 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 each such account.

RIGHTS OF UNITHOLDERS

The rights and interests of Unitholders are included in this Draft Placement Memorandum 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, respectively. Any rights and interests of Unitholders as specified in this Draft Placement Memorandum 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 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, the Units shall not have multiple classes, except for any subordinate Units that may be issued only to the Sponsors and their Associates, where such subordinate units carry only inferior voting or any other rights compared to other Units in the future in accordance with Regulation 4(2)(h) of the InvIT Regulations.

Redressal of grievances

The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the Trust, and 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, and maintain records of grievances and actions taken for the same. For details, please see the section entitled "*Corporate Governance*" on page 137.

Distribution

The Unitholders shall have the right to receive distribution in accordance with the InvIT Regulations and in the manner provided in this Draft Placement Memorandum. For details, please see the section entitled "*Distribution*" on page 270.

Nominee Directors

Unitholder(s), holding not less than 10% of the total outstanding Units, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Investment Manager. In this regard, we shall undertake the relevant actions, including in relation to amendment to the Trust Deed, the Investment Management Agreement and formulation of a policy, in due course in accordance with the SEBI Circular dated September 11, 2023 entitled "SEBI/HO/DDHS-PoD-2/P/CIR/2023/153" and the InvIT Regulations.

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 (twenty one) days shall be provided to the Unitholders;
 - (iv). voting by any person who is a related party in such transaction, as well as associates of such person(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 oversight by the Trustee.

However, 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. Additionally, 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. For 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 auditors and fee of such auditors, as may be required;
 - latest valuation reports;
 - appointment of valuer, as may be required; and
 - any other issue;
 - (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 and paragraph 4 below, 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 the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the votes cast against the resolution:
 - (i). any approval from the 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 borrowings, in excess of the limits specified under Regulation 20(2) of the InvIT Regulations;
 - (iii). any transaction, other than any borrowing, the value of which is equal to or greater than 25% (twenty five per cent) of the InvIT Assets;
 - (iv). increasing period for compliance with investment conditions to one year in accordance with Regulation 18(5)(c) of the InvIT Regulations;
 - (v). any issue, in the ordinary course of business, which in the opinion of the Sponsors or the Trustee or the Investment Manager, is material and requires approval of the Unitholders, if any;
 - (vi). any issue for which SEBI or the stock exchanges requires approval; and
 - (vii). de-classification of the status of Sponsors.
4. In case of the following, approval from the Unitholders shall be required where the 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 Investment Manager including removal of the Investment Manager or change in control of the Investment Manager;
 - (ii). the Trustee and Investment Manager proposing to seek delisting of units of the Trust under clause (e) of sub-regulation (1) of regulation 17 of the InvIT Regulations;
 - (iii). any issue, not in the ordinary course of business, which in the opinion of the Sponsors or Investment Manager or Trustee requires approval of the Unitholders;
 - (iv). any material change in investment strategy or any change in the management fees of the Trust;

- (v). any issue for which SEBI or the designated stock exchanges require 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 Auditors and appointment of another auditors to the Trust;
 - (c). removal of the Valuer and appointment of another valuer to the Trust;
 - (d). any issue which the Unitholders have sufficient reason to believe that is detrimental to the interest of the Unitholders;
 - (e). change in the Trustee, if Unitholders have sufficient reason to believe that acts of the Trustee are detrimental to the interest of Unitholders; and
 - (f). delisting of the Trust, if the Unitholders have sufficient reason to believe that such delisting would act in the interest of the Unitholders

With respect to the rights of the Unitholders under clause 4(vi) above:

- (i). 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;
- (ii). 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;
- (iii). with respect to clause 4(iv)(e) above, not less than 60% of the Unitholders by value shall apply, in writing, to the Trustee for the purpose.

5. In case of the following, approval from 75% of Unitholders by value shall be required:

- (i) In case of any borrowing by the Trust in terms of limit specified in clause (b) of sub-regulation 3 of Regulation 20 of the InvIT Regulations;
- (ii) In case that any person other than the Sponsors, its related parties and its associates, acquires Units of the Trust, which taken together with Units held by such person and by persons acting in concert with such persons in the Trust, exceeds 25% of the value of the outstanding Units of the Trust (value of Units held by parties related to the transaction shall not be considered for this specific purpose);

Provided that 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;

- (iii) Prior to any change in Sponsors or inducted sponsor or change in control of Sponsors or inducted sponsor (value of Units held by parties related to the transaction shall not be considered for this specific purpose).

If the required approval is not received:

- a. in case of change in Sponsors or inducted sponsor, the proposed inducted sponsor shall provide the dissenting Unitholders an option to exit by buying their units in the manner specified by SEBI; and
- b. in case of change in control of the Sponsors or inducted sponsor, the said Sponsor or inducted sponsor shall provide the dissenting Unitholders an option to exit by buying their Units in the manner specified by SEBI.

Information rights

The Investment Manager, on behalf of the Trust, shall also submit such information to the Stock Exchange and Unitholders, on a periodical basis as may be required under the InvIT Regulations and the Listing Agreement to be entered into with the Stock Exchange. The Investment Manager (on behalf of the Trust) shall disclose to the Stock Exchange, Unitholders and SEBI, all such information and in such manner as specified under the InvIT Regulations and such other requirements as may be specified

by SEBI. 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.

Dispute Resolution

All claims, differences or disputes between the Unitholders and the Investment Manager arising out of or in relation to the activities of the Investment Manager in the securities market shall be submitted to a resolution mechanism that includes mediation and/or conciliation and/or arbitration, in accordance with the procedure specified by SEBI.

No loss or damage or expenses incurred by the investment manager or officers of the investment manager, including those in relation to resolution of claims or disputes of investors, shall be met out of the trust property.

The Investment Manager shall redress investor grievances within the timelines specified under the InvIT Regulations in the manner as specified by SEBI.

Buy-back, Listing and Delisting of Units

Any buy-back, listing or delisting of Units, shall be in accordance with the Trust Deed and the InvIT Regulations.

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 for the Units.

The Trust will issue [●] Units at an Offer Price of ₹ [●] for each Unit, resulting in a combined NAV of the Trust of approximately ₹ [●] million or ₹ [●] per Unit based on the total number of Units outstanding after the completion of this Offer. This represents an immediate dilution in combined NAV of approximately ₹ [●] per Unit to the Unitholders, subscribing in this Offer.

The following provides the per Unit dilution as on [●]:

Combined NAV per Unit before this Offer	Not Applicable
Combined NAV per Unit after this Offer	₹ [●]
Dilution in NAV per Unit to Unitholders	₹ [●]
Dilution to Unitholders as a percentage of the Offer Price	[●]%

Note: to be updated in the Final Placement Memorandum

OFFER STRUCTURE

Initial offer through a private placement of up to [●] Units, at price of ₹ [●] per Unit, aggregating up to ₹ 23,500 million and comprising of a fresh issue of [●] Units aggregating to ₹ 14,500 million by the Trust and an offer for sale of [●] Units aggregating to ₹ 9,000 million by the Selling Unitholder. In accordance with Regulation 14(1A) of the InvIT Regulations, this Offer shall constitute at least 25% of the total outstanding Units on a post-Offer basis.

Particulars	Details
Number of Units available for Allotment/allocation	Initial offer through a private placement of up to [●] Units, aggregating up to ₹ 23,500 million
Basis of Allotment/ allocation	Discretionary
Minimum Bid	Such number of Units that the Bid Amount is not less than ₹ 250 million, and in multiples of [●] Units thereafter
Maximum Bid	Such number of Units (in multiples of [●] Units) not exceeding the size of this Offer, subject to applicable investment limits
Mode of Allotment	Compulsorily in dematerialised form
Bid Lot	A minimum of such number of Units that the Bid Amount is not less than ₹ 250 million, and in multiples of [●] Units thereafter
Allotment Lot	A minimum of [●] Units, and in multiples of [●] Units thereafter
Trading Lot ⁽¹⁾	Upon listing, such number of Units, the value of which is, or exceeds, ₹ 20 million
Arrangements for Disposal of Odd Lots	The Stock Exchange will provide for an odd lot window to facilitate the trading of odd lots of Units that may be created from time to time on account of various events, including instances such as declaration of NAV and any distributions in respect of the Units
Who can apply	(i) Institutional Investors; and (ii) Bodies Corporate
Terms of Payment	The entire Bid Amount shall be payable along with the Application Form

⁽¹⁾ The trading lot post-listing of the Units may be modified in accordance with the InvIT Regulations and other applicable laws.

In accordance with the InvIT Regulations, the maximum subscription from any investor other than the Sponsors, its related parties and its associates shall not be more than 25% of the total outstanding Units on a post-Offer basis. For details in relation to the lock-in of Units by the Sponsors and the Sponsor Group, please see the section entitled “Information Concerning the Units” on page 256.

Separately, any pre-Offer Unit holding in the Trust shall be locked in for a period of one year in accordance with the InvIT Regulations.

Indicative Offer Timeline

Event	Indicative Date
Bid/Offer Opening Date	[●]
Bidders to submit completed Application Forms	[●]
Bid/Offer Closing Date	[●]
Dispatch of CANs to successful Bidders	On or about [●]
Closing Date	On or about [●]
Designated Date	On or about [●]
Initiation of refunds, if any, in the event of any failure to obtain final listing and trading approval within 6 Working Days from the Bid/Offer Closing Date	On or about [●]
Listing Date	On or about [●]

The above timetable is indicative and does not constitute any obligation or liability on the Trust, the Investment Manager, the Sponsor, the Trustee, the Selling Unitholder or the Placement Agents.

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 Exchange is completed within 6 Working Days from the Bid/Offer Closing Date or such other timeline as may be prescribed by SEBI, the timetable may change due to various factors, such as, any extension of the Bid/Offer Period by the Investment Manager or any delay in receiving the final listing and trading approval from the Stock Exchange. The commencement of trading of the Units will be entirely at the discretion of the Stock Exchange and in accordance with applicable law.

The Selling Unitholder confirm that it shall extend all reasonable co-operation required by the Trust, the Investment Manager and the Placement Agents for the completion of the necessary formalities for listing and commencement of trading of the Units offered by the Selling Unitholder in the Offer for Sale on the Stock Exchange within six Working Days from the Bid/Offer Closing Date.

OFFER INFORMATION

Please see below a summary, intended to provide a general outline of the procedures for the bidding, application, payment, Allocation and Allotment of the Units to be offered pursuant to the Offer.

Eligible Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them under applicable law to which they are subject and should consult their respective advisors in this regard. Eligible Investors that apply in this Offer will be required to confirm, and will be deemed to have represented, to the Trustee, the Investment Manager, the Placement Agents, the Selling Unitholder 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. The Investment Manager, the Sponsors, the Selling Unitholder and the Placement Agents and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Units.

Authority for the Offer

The Trust is undertaking this Offer in accordance with Regulation 14(2) of the InvIT Regulations. The Offer was authorised and approved by the IM Board on September 25, 2023. This Draft Placement Memorandum has been approved by the IM Board on September 25, 2023 and by the InvIT Committee constituted by the IM Board on September 26, 2023.

The Offer for Sale has been authorized by the board of directors of the Selling Unitholder on September 14, 2023 and by the InvIT Committee constituted by the board of directors of the Selling Unitholder on September 26, 2023. Further, with respect to the Units offered by the Selling Unitholder in the Offer for Sale, the Selling Unitholder has held equity shares of the Initial Portfolio Assets, against which such Units have been allotted to the Selling Unitholder, for a period of at least one year immediately preceding the date of the Draft Placement Memorandum.

The Trust will receive the in-principle approval of NSE for the listing of the Units on NSE. The Investment Manager has filed a copy of this Draft Placement Memorandum, and will file a copy of the Placement Memorandum and the Final Placement Memorandum, with SEBI and the Stock Exchange, in compliance with the provisions of the InvIT Regulations.

Neither the Trust, Trustee, Project Manager, Investment Manager or any of its directors have been declared as 'Fraudulent Borrowers' by the lending banks or financial institution or consortium, in terms of RBI master circular dated July 1, 2016, as amended.

The Units have not been, and will not be, registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and 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 the 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 Exchange.

Offer Procedure

1. The Placement Agents, in consultation with the Investment Manager and Sponsors, shall electronically circulate serially numbered copies of the Placement Memorandum and the Application Form to Eligible Investors. The Application Form will be specifically addressed to each Eligible Investor. The list of Eligible Investors to whom the serially numbered copies of the Placement Memorandum and the Application Form will be circulated, shall be determined by the Investment Manager and Sponsors, in consultation with the Placement Agents.
2. **Unless a serially numbered Placement Memorandum along with an Application Form is addressed to a particular Eligible Investor, no invitation to subscribe shall be deemed to have been made to such Eligible Investor.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and such person shall not be eligible to participate in the Offer.
3. Bidders may submit an Application Form to the Placement Agents, only during the Bid/ Offer Period and not later than the Bid/ Offer Closing Date.
4. Bidders will be required *inter alia*, to indicate the following in the Application Form:
 - (i). a representation that it is acquiring the Units in an "offshore transaction", as defined in, and in reliance on, Regulation S and it has agreed to certain other representations set forth in "Notice to Investors - Representations by Eligible Investors" on page 2 and "Selling and Transfer Restrictions" on page 332 and

- certain other representations made in the Application Form;
- (ii). name of the Bidder to whom the Units are to be Allotted;
 - (iii). number of Units Bid for;
 - (iv). details of the demat accounts to which the Units should be credited;
 - (v). details of the Bid Amount deposited by the Bidder into the Cash Escrow Account;
 - (vi). a representation that such person is an “Institutional Investor” or a “Body Corporate” as defined under the InvIT Regulations;
 - (vii). the details of Bidder’s bank account along with fund transfer details, in case of any refund;
 - (viii). that it is permitted to acquire the Units under the laws of any applicable jurisdiction and that it has necessary capacity and authority, and have obtained all necessary consents and authorisations to enable it to commit to this participation in the Offer and to perform its obligations in relation thereto (including, without limitation, on behalf of any person) and honour such obligations;
 - (ix). it is eligible to invest in India and in the Units under applicable law, including the FEMA Rules, and has not been prohibited by SEBI or any regulatory authority from buying, selling or dealing in units or securities; and
 - (x). any other information which may be relevant to the Bid.

Note: The Bids made by asset management companies or custodians of Mutual Funds, as permitted under applicable law, shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, 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 for which the Bid has been made. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law and the InvIT Regulations.

5. Each Bidder shall be required to make payment of the entire Bid Amount for the Units at the Offer Price, only through electronic transfer to the Cash Escrow Account during the Bid/Offer Period, prior to the closure of the Bid/Offer Period.
6. No payment shall be made by Bidders in cash. Please note that any payment of Bid Amount for Units shall be made from the bank account of the relevant Bidder applying for Units, and the Placement Agents, on behalf of the Investment Manager, shall keep a record of the bank account from where such Bid Amounts have been received. The Bid Amount payable on Units to be held by joint holders shall be paid from the bank account of the person whose name appears first in the completed Application Form. Pending listing, all Bid Amounts received from Bidders shall be kept in a separate bank account with a scheduled bank (i.e. the Cash Escrow Account).
7. Once a duly completed Application Form is submitted by a Bidder on the basis of disclosures in the Placement Memorandum, such Application Form constitutes an irrevocable offer and cannot be withdrawn.
8. Upon receipt of the completed Application Form and the receipt of the Bid Amount in the Cash Escrow Account, the Investment Manager and the Sponsors shall, after Bid/Offer Closing Date, determine the number of the Units to be Allotted pursuant to the Offer, in consultation with the Placement Agents.
9. Upon determination of the Bidders to whom Allocation shall be made, the Placement Agents, on behalf of the Investment Manager and the Selling Unitholder, will send the CANs, along with a serially numbered Final Placement Memorandum, to the Bidders who have been Allocated Units. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract in respect of the number of Units Allocated to the Bidder. **Please note that the Allocation and Allotment will be at the absolute discretion of the Investment Manager and the Sponsors in consultation with the Placement Agents, and in accordance with the InvIT Regulations.**
10. Upon the dispatch of CAN to successful Bidders, the Investment Manager and Selling Unitholder shall Allot Units of the Trust as per the details in the CAN sent to successful Bidders. The Investment Manager will intimate the Stock Exchange about the details of the Allotment and apply for approval of the Units for listing and trading of the Units on the Stock Exchange after the credit of Units into the demat accounts of the successful Bidders.
11. Allottees are advised to instruct their respective Depository Participant to accept the Units that may be Allotted to them pursuant to the Offer into their respective demat accounts.

12. In the event the Investment Manager and the Selling Unitholder are unable to Allot the Units, in full or in part, or upon cancellation of the Offer, the Investment Manager and the Selling Unitholder shall be liable to refund the Bid Amounts with interest to the Bidders in accordance with applicable law. For each Bidder to whom any amounts are to be refunded, the refund shall be made to the same bank account from which the Bid Amount was remitted by such Bidder.
13. The Units that have been credited to the demat accounts of the Bidders shall be listed and eligible for trading on the Stock Exchange only upon the receipt of final listing and trading approvals from the Stock Exchange. Bidders are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchange or the Investment Manager.
14. The Bid Amount will be transferred to the account of the Trust and the Selling Unitholder from the Cash Escrow Account only after receipt of the final listing and trading approvals for the Units from the Stock Exchange.

Who can Bid?

Each Bidder should check if it is eligible to Bid for Units in this Offer 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.

Only Institutional Investors and Bodies Corporate are eligible to participate in this Offer.

An Institutional Investor is defined in Regulation 2(1)(ya) of the InvIT Regulations.

A Body Corporate is defined in Section 2(11) of the Companies Act, 2013 to include a company incorporated outside India, but does not include (i) a co-operative society registered under any law relating to co-operative societies; and (ii) any other body corporate (not being a company as defined in the Companies Act, 2013) which the Central Government may, by notification, specify in this regard.

Bodies Corporate incorporated outside India are permitted to participate in the Offer subject to compliance with Schedule VIII of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended.

All Non-Resident Investors should note that, in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, including Press Note No.3 (2020 Series), dated April 17, 2020 issued by the DPIIT, where the beneficial owner of a proposed investment into India is situated in or is a citizen of a country that shares land border with India (but is not a multilateral bank or fund of which India is a member), approval of the Government will be required prior to such investment.

The Trustee, the Valuer and the employees of the Valuer who were involved in the valuation of the Trust are not permitted to Bid in this Offer.

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 II, Schedule VIII and other applicable provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended. 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 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 certified 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, in consultation with the Placement Agents, reserves the right to reject the Bid.

Bids by SEBI registered VCFs and AIFs

The SEBI VCF Regulations prescribe, amongst others, the investment restrictions on VCFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Further, VCFs which have not 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. Allotments made in respect of Bids by VCFs and AIFs in this Offer shall be subject to the rules and regulations that are applicable to each of them, respectively. In case of Bids made by VCFs or AIFs, a certified true copy of the issued by SEBI is required to be attached along with the Application Form failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

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, failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

Bids by Provident Funds

On March 2, 2015, the Ministry of Finance issued a notification allowing investments by non-government provident funds, superannuation 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. However, such investments by provident funds, superannuation funds and gratuity funds will be subject to, amongst others, the sponsor entity of the Trust 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 provident 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 must be attached to the Application Form, failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

Bids by NPS Schemes

The Pension Fund Regulatory and Development Authority (“**PFRDA**”) issued circulars dated June 3, 2015 and September 2, 2015, respectively, allowing investments by national pension fund schemes (other than corporate central government schemes, corporate state government schemes, central government sector schemes, state government sector schemes, NPS Lite Schemes of NPS and Atal Pension Yojana schemes) (“**Non- Govt. NPS Schemes**”) and corporate central government schemes, corporate state government schemes, central government sector schemes, state government sector schemes, NPS Lite Schemes of NPS and Atal Pension Yojana schemes (“**Govt. NPS Schemes**” and together with the Non-Govt NPS Schemes, the “**NPS Schemes**”) to invest in the units of infrastructure investment trusts that are listed or proposed to be listed. The cumulative investment in units and debt instruments of InvITs and REITs by NPS Schemes is not permitted to exceed 3% of the assets under management of the relevant pension fund at any time. Non-Gov. NPS Schemes are also not permitted to invest more than 5% of the units issued by a single InvIT. Such investment will be subject to, amongst others conditions, (i) for Govt. NPS Schemes, the units being rated AAA (or equivalent) in the applicable rating scale of the Trust from at least two credit rating agencies registered with SEBI (“**CRAs**”) and the rating of the sponsor floating the trust being AAA (or equivalent) in the applicable rating scale of the Trust from at least two CRAs, and (ii) for Non-Govt. NPS Schemes, such securities being rated AA (or equivalent) in the applicable rating scale of the Trust from at least two CRAs. In case of Bids made by NPS Schemes, 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 Application Form, failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

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). In case of Bids made by Mutual Funds, a certified true copy of the issued by SEBI is required to be attached along with the Application Form, failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

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 SEBI or any other authority designated for that purpose, including an InvIT governed by 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.

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), dated March 14, 2017.

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 Application Form, failing which the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.

The Investment Manager, in consultation with the Placement Agents, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

Allotments, if any, made to FVCIs in the Offer are subject to the respective rules and regulations that are applicable to each of them.

All Non-Resident Investors 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.

The Parties to the Trust, the Selling Unitholder and the Placement Agents are not liable for any amendment or modification or change to applicable law or regulations, which may occur after the date of the Placement Memorandum. Eligible Investors are advised to make their independent investigations and satisfy themselves that they are eligible to apply in this Offer. Eligible Investors 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 or regulation or as specified in the Placement Memorandum.

Note: Affiliates or associates of the Placement Agents who are Eligible Investors may participate in the Offer in compliance with applicable law.

Maximum and Minimum Bid Size

- (i) Each Bidder is required to Bid for a Minimum Bid Size of ₹ 250 million and in multiples of [●] Units thereafter.
- (ii) No Bidder shall Bid for such number of Units that exceeds the size of the Offer.

Application Process

Application Form

Bidders shall only use the serially numbered Application Forms provided to them, for the purpose of making a Bid in terms of the Placement Memorandum.

A Bidder applying for the Units to be issued pursuant to the Offer must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of such Bidder.

By making a Bid for the Units through Application Forms, Bidders will be deemed to have made the following representations and warranties, respectively:

- (i) The Bidder confirms that it is an Institutional Investor or a Body Corporate, and is eligible to participate in the Offer;
- (ii) The Bidder has deposited the Bid Amount in the Cash Escrow Account;
- (iii) The Bidder has no right to withdraw its Bid once such Bid is submitted to the Placement Agents;
- (iv) Revised Bids, if any, shall have been submitted during the Bid/Offer Period;
- (v) The Bidder confirms that it is eligible to apply for, and hold, any Units that may be Allotted to the Bidder pursuant to the Offer. The Bidder further confirms that any such Allotment of Units to, and the holding of Units by, the Bidder does not, and shall not, exceed the level permissible as per any law applicable to the Bidder; and

- (vi) The Bidder confirms that it is purchasing the Units in an “offshore transaction” as defined in, and in reliance on, Regulation S under the Securities Act, and in either cases is not our affiliate or a person acting on behalf of such an affiliate.
- (vii) The Bidder further confirms that no offer or sale of the Units is the result of any “directed selling efforts” in the United States (as such term is defined in Regulation S) and that the Trust and the Placement Agents, and their respective affiliates and representatives (including legal counsels to each of the foregoing), will rely upon the truth and accuracy of the foregoing acknowledgements, representations, warranties and agreements and agree that, if at any time any of the acknowledgements, representations, warranties and agreements made in connection with the Units is no longer accurate, it shall immediately notify the Trust and the Placement Agents in writing.

ELIGIBLE INVESTORS MUST PROVIDE THEIR DEMAT ACCOUNT DETAILS, THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND BANK ACCOUNT DETAILS IN THE APPLICATION FORM. ELIGIBLE INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEMAT ACCOUNT IS HELD.

Demographic details such as address and bank account details will be obtained from the Depositories as per the demat account details given in the Application Form.

Instructions for completing the Application Form

Bidders may note that Application Forms not filled completely or correctly as per instructions provided in the Placement Memorandum and the Application Forms are liable to be rejected. The Bids should adhere to the following:

- (i) Bids must be made only in the prescribed Application Form;
- (ii) Application Form must be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the Application Form. In case of incomplete Application Forms, the Investment Manager, in consultation with the Placement Agents, reserves the right to reject the Bid.
- (iii) 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 Placement Agents, Registrar and the Investment Manager will not be liable for errors in data entry due to incomplete or illegible Application Forms; and
- (iv) Bidders are required to sign the Application Form. Bidders should ensure that the 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.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the number of the Units applied for and the Bid Amount and the details of the bank account from which payment of the Bid Amount was made. The Application Form shall be submitted to the Placement Agents either through electronic form or through physical delivery at the following address:

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC
Plot No. C-27, 'G' Block
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051
Maharashtra, India
Tel: +91 22 4336 0000
E-mail: SEIT.invit@kotak.com
Investor Grievance E-mail: kmccredressal@kotak.com
Website: <https://investmentbank.kotak.com>
Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Avendus Capital Private Limited

Platina Building,
9th Floor, 901, Plot No C-59,
Bandra-Kurla Complex, Bandra (East)
Mumbai 400 051

Maharashtra, India Tel: +91 22 6648 0050
E-mail: mars@avendus.com
Investor Grievance E-mail: investorgrievance@avendus.com
Website: http://www.avendus.com
Contact Person: Govinda Somani
SEBI Registration No.: INM000011021

Axis Capital Limited

1st Floor, Axis House
C 2 Wadia International Centre
Pandurang Budhkar Marg, Worli
Mumbai 400 025
Maharashtra, India
Tel.: +91 22 4325 2183
E-mail: seit.invit@axiscap.in
Investor Grievance E-mail: complaints@axiscap.in
Website: www.axiscapital.co.in
Contact Person: Prashant Kolhe / Jigar Jain
SEBI Registration No.: INM000012029

The Placement Agents shall not be required to provide any written acknowledgement for receipt of the Application Form.

PAN

Each Eligible Investor must mention its Permanent Account Number (“PAN”) allotted under the ITA. Each Eligible Investor is required to submit a copy of its PAN card along with the Application Form. Applications without this information will be considered incomplete and are liable to be rejected, unless the investor is not required to hold or specify a PAN under applicable law. Eligible Investors should not submit the general index registrar number (“GIR”) instead of the PAN as the Application Form is liable to be rejected on this ground.

Bank Account for Payment of Bid Amount

The Investment Manager has opened the Cash Escrow Account with [●], acting as the Escrow Collection Bank in terms of the Cash Escrow Agreement. Bidders are required to deposit the entire Bid Amount during the Bid/Offer Period, together with the completed Application Form, in favour of “[●]”.

If the payment of the Bid Amount is not made favouring the Cash Escrow Account within the Bid/Offer Period, the Application Form of the Bidder is liable to be rejected.

The Trustee and the Investment Manager shall utilize the amount deposited in the Cash Escrow Account only for the purposes of: (i) adjustment against Allotment; or (ii) refund of Bid Amount in case of any failure to Allot Units in the Offer. For further details, please see the section entitled “Offer Information – Refunds” on page 352.

Payment Instructions

The payment of Bid Amount shall be made by the Bidders in the name of the Cash Escrow Account as per the payment instructions provided in the Placement Memorandum and the Application Form.

Payments are to be made only through electronic fund transfer. Payments through cheques or cash or any mode other than electronic mode shall be rejected.

Allocation

The Bidders shall submit their Bids for the Units within the Bid/Offer Period to the Placement Agents. The book shall be maintained by the Placement Agents.

Method of Allocation

The Investment Manager shall determine the Allocation in consultation with the Placement Agents on a discretionary basis, subject to the InvIT Regulations, SEBI Guidelines and other Applicable Laws. After finalization of the Allocation, the Investment Manager will update the Placement Memorandum with the Offer details and file the Final Placement Memorandum with SEBI and the Stock Exchange, and dispatch the CAN, together with a serially numbered Final Placement Memorandum to each successful Bidder.

THE DECISION OF THE INVESTMENT MANAGER, IN CONSULTATION WITH THE PLACEMENT AGENTS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL BIDDERS. BIDDERS MAY NOTE

THAT ALLOCATION OF THE UNITS IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE INVESTMENT MANAGER, IN CONSULTATION WITH THE PLACEMENT AGENTS, AND BIDDERS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS. NEITHER THE INVESTMENT MANAGER NOR THE PLACEMENT AGENTS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY SUCH NON-ALLOCATION.

The Units in the Offer will be Allotted in the following order: (i) first, 100% of the Units pursuant to the Fresh Issue shall be Allotted prior to any Units offered in the Offer for Sale (“Offered Units”); and (ii) second, the Units offered by MSPL Sponsor received as consideration by MSPL Sponsor for the transfer of its shareholding in certain Initial Portfolio Assets. In case of under-subscription in the Offer, the Units in the Fresh Issue will be Allotted prior to any Units in the Offer for Sale and the Units in the Offer for Sale shall be Allotted in the manner set out above.

The Investment Manager in consultation with the Placement Agents reserves the right to withdraw the Offer anytime after the Bid/Offer Opening Date but before the Allotment, without assigning any reasons whatsoever.

Confirmation of Allocation Note or CAN

Based on the Application Forms and Bid Amounts received from Bidders, the Investment Manager, in consultation with the Placement Agents, in their sole and absolute discretion, will decide the Bidders to whom the serially numbered CANs shall be sent, pursuant to which the details of Units Allocated to them shall be notified to such Bidders. Further, details of the amounts payable for Allotment of the Units in their respective names shall be notified to such Bidders. Additionally, the CAN will include the probable designated date, being the date of credit of the Units to the respective Bidder’s demat account (“Designated Date”).

Bidders, who have been Allocated Units, would also be sent a serially numbered Final Placement Memorandum either in electronic form or by physical delivery along with the serially numbered CAN. The dispatch of the serially numbered Final Placement Memorandum and the CAN to Bidders shall be deemed a valid, binding and irrevocable contract in respect of the number of Units Allocated to each successful Bidder.

Bidders are advised to instruct their Depository Participant to accept the Units that may be Allotted to them pursuant to the Offer.

Bidders’ Demat 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 Application Form, the Registrar will obtain from the Depository the demographic details including the Bidders’ address 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 (including through direct credit, NACH, NECS, NEFT and RTGS) to the Bidders. It is mandatory to provide the bank account details in the space provided in the Application Form and Application Forms that do not contain such details are liable to be rejected. Hence, Bidders are advised to immediately update their bank account details, PAN and Demographic Details as appearing in the records of the Depository Participant and ensure that they are true and correct. Failure to do so could result in delays in credit of refunds to Bidders at their sole risk and none of the Placement Agents, the Registrar, the Escrow Collection Bank, the Investment Manager, the Selling Unitholder or the Trustee will have any responsibility or undertake any liability for this. Accordingly, Bidders should carefully fill in their demat account details in the Application Form.

By signing the 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.

Closing Date and Allotment of the Units

The Trustee and the Investment Manager will endeavour to complete the Allotment by the Closing Date.

In accordance with the InvIT Regulations, the Units will be issued and Allotment shall be made only in dematerialised form to the Allottees. The Investment Manager (on behalf of the Trust) and the Registrar have entered into:

- Tripartite agreement dated September 14, 2023 with NSDL; and
- Tripartite agreement dated September 18, 2023 with CDSL.

The Trustee and/or the Investment Manager, in consultation with the Placement Agents, at their discretion, reserve the right to cancel or withdraw the Offer at any time after the Bid/ Offer Opening Date but prior to the issuance of CAN, without assigning any reasons whatsoever.

Following the Allotment of the Units, the Investment Manager will apply for final listing and trading approval from the Stock Exchange. The Investment Manager and the Placement Agents shall endeavour to list the Units on the Stock Exchange within 6 Working Days from the Bid/Offer Closing Date.

Refunds

In the event Investment Manager and the Selling Unitholder are unable to Allot or transfer the Units as the case may be, in full or part or upon cancellation of the Offer or if refunds are required to be made in accordance with Applicable Law, the Investment Manager and the Selling Unitholder shall be liable to refund the Bid Amounts with interest to the Bidders in accordance with applicable law. For each Bidder to whom any amounts are to be refunded, the refund shall be made to the same bank account from which the Bid Amount was remitted by such Bidder. In the event of non-receipt of listing permission from the Stock Exchange, the Units shall not be eligible for listing and the Trust shall be liable to refund the Bid Amounts to the Allottees immediately along with interest at the rate of 15% per annum, from the date of Allotment until such time prescribed under, and in compliance with, the InvIT Regulations or such other rate as prescribed under applicable law.

Other Instructions

Right to Reject Applications

The Investment Manager, in consultation with the Placement Agents, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of the Investment Manager in relation to the rejection of Bids shall be final and binding.

Units in Dematerialised form with NSDL or CDSL

The Allotment shall be only in dematerialised form (i.e., not in physical certificates but represented by the statement issued through the electronic mode).

A Bidder applying for the Units to be issued pursuant to the Offer must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of such Bidder.

Units in electronic form can be traded only on the Stock Exchange having electronic connectivity with NSDL and CDSL. NSE have electronic connectivity with NSDL and CDSL. The trading of the Units would be in dematerialised form only for all Unitholders in the respective demat segment of the NSE. For details in respect of the minimum trading lot, please see the section entitled “*Offer Structure*” on page 343.

The Trustee, the Investment Manager, the Sponsors, the Selling Unitholder or the Placement Agents, will not be responsible or liable for the delay in the credit of the Units to be issued and transferred pursuant to the Offer due to errors in the Application Form, delay in payment of Bid Amount or otherwise on part of the Bidders.

Undertakings of the Investment Manager:

- (i). There shall be only one denomination for the Units of the Trust; and
- (ii). It shall comply with such disclosure and accounting norms specified by SEBI from time to time.

STATEMENT OF POSSIBLE TAX BENEFITS

(The remainder of this page is intentionally left blank)

STATEMENT OF POSSIBLE DIRECT TAX BENEFITS AVAILABLE TO SUSTAINABLE ENERGY INFRA TRUST AND ITS UNIT HOLDERS UNDER THE INCOME TAX ACT, 1961 IN CONNECTION WITH PROPOSED PRIVATE PLACEMENT OF UNITS OF SUSTAINABLE ENERGY INFRA TRUST

To
The Board of Directors,
Sustainable Energy Infra Investment Managers Private Limited (the “Investment Manager”) in its capacity as an Investment Manager of the Sustainable Energy Infra Trust (the “Issuer” or the “Trust”)
Mahindra Tower
Pandurang Budhkar Marg
Mumbai – 400018, Maharashtra, India.

Dear Sirs,

We refer to the proposed issue of the ordinary units of Sustainable Energy Infra Trust (‘the Trust’ or ‘the InvIT’). We enclose herewith the statement showing the current position of possible special/general direct tax benefits available to the InvIT, and its unitholders as per the provisions of the Income-tax Act 1961 (“Act”), as applicable as on date, for inclusion in the placement memorandum and the final placement memorandum for the proposed issue of ordinary units of the InvIT.

Several of these benefits are dependent on the InvIT or its unitholders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence the ability of the InvIT or its unitholders to derive these direct tax benefits is dependent upon their fulfilling such conditions, which based on the business imperatives, the InvIT or its unitholders may or may not choose to fulfil.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the Annexure are based on the information and explanations obtained from the Investment Manager. This statement is only intended to provide general information to guide investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the offering. We are neither suggesting nor are we advising the investor to invest money or not to invest money based on this statement.

We do not express any opinion or provide any assurance whether:

- The InvIT or its unitholders will continue to obtain these benefits in future;
- The conditions prescribed for availing the benefits have been/would be met;

We hereby give our consent to include enclosed statement regarding the tax benefits available to the InvIT and its unitholders in the placement memorandum and final placement memorandum for the proposed private placement of ordinary units, which the Investment Manager (on behalf of the InvIT) intends to submit to the Securities and Exchange Board of India, BSE Limited and National Stock Exchange of India Limited and any other authority, provided that the below statement of limitation is included in the placement memorandum and the final placement memorandum.

LIMITATIONS

Our views expressed in the statement enclosed are based on the facts and assumptions indicated above. 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 change from time to time. We do not assume responsibility to update the views consequent to such changes. Reliance on the statement is on the express understanding that we do not assume responsibility towards the investors who may or may not invest in the proposed issue relying on the statement.

This statement has been prepared solely in connection with the offering of units by the InvIT under the Securities and Exchange Board of India (“SEBI”) (Infrastructure Investment Trusts) Regulations, 2014, as amended.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm’s Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN (23121513BGYAGK8150)

Place: Mumbai
Date: September 26, 2023

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO MAHINDRA SUSTEN INVIT 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 MAHINDRA SUSTEN INVIT TRUST, IN THEIR PARTICULAR SITUATION.

The following is based on the provisions of the Income-tax Act, 1961 presently in force in India as amended by the Finance Act, 2023 applicable for Financial Year ending 31 March 2024 relevant to the Assessment Year 2024-25. 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 MAHINDRA SUSTEN INVIT TRUST UNDER THE ACT

The following benefits are available to Mahindra Susten InvIT 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 from time to time] (‘SEBI Regulations’).

The Trust is a business trust within the meaning of section 2(13A) of the Act which includes a trust registered as an Infrastructure Investment Trust under the SEBI Regulations made under the Securities and Exchange Board of India Act, 1992.

1.1. Interest income received/ receivable from the underlying Special Purpose Vehicle(s) (‘SPV’):

Interest received or receivable by the Trust from the SPVs (being Indian companies) shall be exempt from tax in case of receipt from special purpose vehicle as defined under 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 with 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’.

To bring parity, the provisions of section 193 pertaining to ‘interest on securities’ have been amended vide Finance Act 2023 to provide that no TDS is deductible in respect of interest as referred to in section 10(23FC) which is received by the business trust from special purpose vehicle as defined under section 10(23FC) of the Act.

1.2. Dividend income received/ receivable from the SPV:

Dividend received or receivable by the Trust from the SPVs shall be exempt from tax in case of receipt from special purpose vehicle as defined under 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 with 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 TDS under section 194 of the Act.

1.3. Income from buy back of shares

The provisions of section 115QA mandate domestic companies i.e., SPV to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares. Such tax is payable on the distributed income which means the consideration paid by the company on buy-back of shares as reduced by the amount, which was received by the company for issue of such shares, determined as per Rule 40BB of the Rules.

Further, income arising from buy-back of 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 shares by the SPVs, 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 the hands of the trust. In case the Tax Authorities are not satisfied with 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. Taxability of income of the business trust in general unless exempted / specified otherwise under the provisions of the Act

As per section 115UA(2), the taxable total income of a business trust (including dividend and interest income from company other than SPV) shall be charged to tax at the Maximum Marginal Rate ('MMR') except for the income chargeable to tax on transfer of short-term capital assets ('STCA') as per section 111A and transfer of long-term capital assets ('LTCA') as per section 112 of the Act.

Please note that section 112A is not explicitly mentioned in section 115UA(2) of the Act.

MMR refers to the rate of income-tax (including surcharge and cess on income-tax, if any) applicable in relation to the highest slab of income as specified in the Finance Act of the relevant year.

Further, as per section 57 of the Act, no deduction shall be allowed against dividend income (which is taxable in the hands of the Trust) other than deduction on account of interest expense incurred wholly and exclusively for the purpose of earning such dividend and such interest expense shall not exceed 20% of the dividend income included in the total income for that year, without deduction under section 57 of the Act.

1.5. Taxability of capital gains

a. Period of holding:

Capital assets are classified as LTCA or STCA, based on the period of holding of those assets. Depending upon the said classification, the resultant gains on transfer of such capital assets shall be taxable either as short-term capital gains ('STCG') or as long-term capital gains ('LTCG'). As per the provisions of section 2(42A) of the Act, a capital asset is regarded as STCA, if:

Sr. No.	Nature of asset	Period of holding before the date of sale
(i)	Securities (other than units) listed in a recognized stock exchange in India or units of the Unit Trust of India or units of an equity-oriented fund or zero coupon bonds	12 months or less
(ii)	Shares (other than shares listed in a recognized stock exchange in India) or an immovable property, being land or building or both	24 months or less
(iii)	Capital asset other than covered in (i) and (ii)	36 months or less

b. STCG:

As per the provisions of section 111A of the Act, any income arising from transfer of STCA being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust transacted through a recognized stock exchange and chargeable to Securities Transaction Tax ('STT'), shall be taxable in the hands of the Trust at a concessional rate of 15% (plus applicable surcharge and cess). However, the condition of STT shall not apply to a transaction undertaken on a recognized stock exchange

located in any International Financial Services Centre ('IFSC') and where the consideration for such transaction is paid or payable in foreign currency.

STCG arising from transfer of STCA other than the shares and securities covered under section 111A of the Act, shall be taxed at the MMR.

c. LTTCG:

As per the provisions of section 112(1)(d) of the Act, gains arising on the transfer of LTCA shall be chargeable to tax in the hands of the Trust at the rate of 20% (plus applicable surcharge and cess). However, as per the proviso to section 112 of the Act, LTTCG on transfer of listed securities (other than units) or zero-coupon bonds shall be taxable at lower of the following:

- 10% (plus applicable surcharge and cess) without indexation benefit under second proviso to section 48; or
- 20% (plus applicable surcharge and cess) with indexation benefit under second proviso to section 48

Further, as per section 112A of the Act, gains exceeding INR 0.1 million arising on the transfer of LTCA, being an equity share in a company or a unit of an equity-oriented fund or a unit of a business trust, transacted through a recognized stock exchange on which STT has been paid, shall be chargeable to tax in the hands of the Trust at the rate of 10% (plus applicable surcharge and cess) without applying the benefit under the first and second provisos to section 48 of the Act.

The condition of STT shall not apply to a transaction undertaken on a recognized stock exchange located in any IFSC and where the consideration for such transaction is received or receivable in foreign currency.

d. Cost of acquisition:

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 certain situations, in respect of LTTCG, section 48 of the Act 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 shall not be available in respect of LTCA being bonds (other than specified bonds), debentures, and listed equity shares in a company or units of equity-oriented funds or units of a business trust referred to in section 112A of the Act.

e. Deemed sales consideration:

As per section 50CA of the Act, where the consideration on transfer of unquoted shares of a company, is less than the fair market value of such share determined in the manner prescribed under Rule 11UAD of the Rules, the value so determined shall for the purpose of section 48 of the Act, be deemed as the full value of consideration of such transfer.

f. Set-off and carry forward of capital losses:

Section 71 of the Act provides that long-term capital loss ('LTCL')/ short-term capital loss ('STCL') arising during the year cannot be set-off against income under any other head other than capital gains for the same year.

As per section 70 read with section 74 of the Act, LTCL, if any arising during the year can be set-off only against LTTCG arising during the year and balance loss, if any, shall be allowed to be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed. Such carried forward LTCL can be set off only against LTTCG during subsequent eight assessment years.

As per section 70 read with section 74 of the Act, STCL, if any arising during the year can be set-off against STCG as well as against the LTTCG arising during the year and balance loss, if any, shall be allowed to be carried forward for eight assessment years immediately succeeding the assessment year for which the loss was first computed. Such carried forward STCL can be set off against both LTTCG and STCG during subsequent eight assessment years.

2. TAX BENEFITS AVAILABLE TO THE UNITHOLDERS OF MAHINDRA SUSTEN INVIT TRUST

2.1. Special benefits available to the Unitholders of the Trust

Following tax benefits are potentially available to the unitholders of the Trust subject to fulfillment of the conditions specified in the Act and SEBI Regulations:

a. Income distributed by the Trust:

As per the provisions of section 115UA(1) of the Act, any income distributed by the Trust to its unitholders shall be deemed to be of the same nature and in the same proportion in the hands of the unitholders as if such income had been received by or accrued to the Trust.

As per the provisions of section 10(23FD), any distributed income referred to in section 115UA received by the unitholders from the business trust, shall not be included in the total income of the unitholders except for the following income:

- Interest referred to in Section 10(23FC)(a) of the Act; and
- Specified dividend i.e., dividend income referred to in Section 10(23FC)(b) of the Act received in cases where SPV has exercised the option under section 115BAA of the Act.

SPVs have the option, subject to certain conditions, to choose a concessional tax rate of 22% (plus applicable surcharge and cess) under section 115BAA of the Act. In case, SPV has exercised the option under section 115BAA of the Act, any dividend distributed by the Trust out of the dividend paid by such SPV, shall be taxable in the hands of the unitholders. In other cases, the dividend distributed by the Trust out of the dividend paid by SPV which has not exercised the option under section 115BAA of the Act, shall be exempt in the hands of the unitholders under section 10(23FD) 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 with 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.

Finance Act, 2023 has brought in an exception to the above by adding a new clause (xii) under section 56(2) of the Act to provide that any distribution received by unitholders that is not covered under section 10(23FC) or 10(23FCA) of the Act and that which is not chargeable to tax under section 115UA(2) of the Act, shall be charged to tax as 'income from other sources' provided such amount received (including similar distributions in earlier years to the same unitholders or any other unitholders) is in excess of the amount at which units were issued by the InvIT, as reduced by the amount charged to tax under this provision in earlier year. Such income shall be chargeable to tax at the rates applicable based on the status of the unitholder.

b. Transactions not regarded as a transfer under section 47(xvii) of the Act:
(Please note that the below implications are only relevant for the Sponsor)

According to section 47(xvii) of the Act, any transfer of a capital asset, being shares of an SPV to a business trust in exchange of units allotted by that trust to the transferor, shall not be regarded as a transfer and accordingly not be liable to capital gains tax.

According to section 49(2AC) of the Act, 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 the amendment by the Finance Act, 2023, the amount of distribution received to the extent not chargeable to tax under section 56(2)(xii) of the Act and not covered under sections 10(23FC), 10(23FCA) or 115UA(2) of the Act, shall be reduced from the cost of units.

As per clause (hc) of Explanation 1 to section 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 a business trust in exchange of units allotted by the trust as referred to in section 47(xvii), is to be excluded while calculating book profit for the purpose of Minimum Alternate Tax ('MAT') under section 115JB of the Act. Similarly, any notional gain or loss arising upon change in carrying amount of the said units, is to be excluded in calculating book profit for the levy of MAT under section 115JB of the Act.

In case of Sponsor other than company that is liable for Alternate Minimum Tax ('AMT') under the provisions of section 115JC of the Act, any gain or loss arising on transfer of shares of SPV to a business trust in exchange of units allotted by the trust as referred to in section 47(xvii), is to be included as part of the adjusted total income for the purpose of computing AMT liability. AMT paid by such Sponsor should be available as credit for set-off against future tax liability, provided it does not opt to be governed by the concessional tax rates under sections 115BAC or 115BAD of the Act.

Further, actual gain or loss on disposal of units held by the unitholders as referred to in section 47(xvii), is considered for the purpose of MAT under section 115JB of the Act.

However, if the unitholder opts for concessional tax regime under section 115BAA or under section 115BAB of the Act, then MAT provisions under section 115JB shall not be applicable to such unitholder and the entire MAT credit available at the time of exercising the option for concessional tax-regime shall have to be foregone.

2.2. General benefits available to the Unitholders of the Trust:

2.2.1. Tax benefits in relation to resident Unitholders:

a. Income distributed by the Trust:

As stated in Para 2.1(a) above, income distributed by a business trust being in the nature of dividend from SPVs which is not exempt under section 10(23FD) of the Act, interest from SPVs, and income chargeable to tax under section 56(2)(xii) of the Act, shall be taxable in the hands of resident unitholders as under:

Status of unitholder	Tax rate (excluding surcharge and cess)
Domestic companies (refer Note 1, 2, and 3)	30%
Firms, Limited Liability Partnerships ('LLPs')	30%
Others (refer Note 4)	As per applicable rates, e.g., in case of individuals, income shall be taxed as per applicable slab rates, maximum being 30%

Note 1: As per Finance Act, 2023, a tax rate of 25% (plus applicable surcharge and cess) shall be applicable to a domestic company for Financial Year 2023-24 relevant to the Assessment Year 2024-25 if the total turnover or gross receipts of such company in the Financial Year 2021-22 relevant to the Assessment Year 2022-23, did not exceed INR 4,000 million.

Note 2: Further, domestic companies exercising the option provided under section 115BAA or section 115BAB of the Act shall be chargeable to a concessional tax rate of 22% (plus surcharge at the rate of 10% and health and education cess at the rate of 4%), subject to fulfilment of conditions prescribed in the said sections.

Note 3: Finance Act, 2020 has inserted section 80M of the Act to eliminate the cascading tax effect in case of intercorporate dividends by providing a deduction in respect of dividends received from a company (including foreign company) and business trust to the extent such dividend is distributed before the specified time.

Note 4: Finance Act, 2023 has amended section 115BAC of the Act to provide that Individuals, HUF, Association of Persons ('AOP') (other than a co-operative society), Body of Individuals ('BOI') and Artificial Juridical Person ('AJP') will be taxed on its total income at the reduced tax rates ('New Regime'), subject to satisfaction of certain conditions. The income would however have to be computed without claiming prescribed deductions or exemptions.

b. Taxation as business income

Where the gains arising on the transfer of the units of INIVT are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act. The characterization of gains/ losses, arising from sale / transfer of units, as capital gains or business income would depend on the nature of holding in the hands of the unit holder and various other factors.

c. Capital gains on sale of units of the Trust:

Capital assets are classified as LTCA or STCA, based on the period of holding of these assets. The determinative period of holding for units of the Trust held by the unitholders to qualify as LTCA is more than 36 months. Units held for less than 36 months would be STCA.

While determining the period of holding for units of business trust allotted pursuant to exchange of shares of SPV as per clause (hc) of Explanation 1 to section 2(42A) of the Act, the period of holding for the units shall include the period for which the shares were held in the SPV.

Taxation of capital gains on sale of units of the Trust:

Nature of capital gains	Tax rate (excluding surcharge and cess)		
	Unitholders being domestic companies	Unitholders being Firms / LLPs	Other Unitholders
STCG on sale of units of the Trust being a listed InvIT, subject to STT	15%	15%	15%

Nature of capital gains	Tax rate (excluding surcharge and cess)		
	Unitholders being domestic companies	Unitholders being Firms / LLPs	Other Unitholders
LTCG on sale of units of the Trust being a listed InvIT, subject to STT	10% without the benefit of first and second provisos to section 48 (on capital gains exceeding INR 0.1 million)	10% without the benefit of first and second provisos to section 48 (on capital gains exceeding INR 0.1 million)	10% without the benefit of first and second provisos to section 48 (on capital gains exceeding INR 0.1 million)

As per the amendment made by the Finance Act, 2023, the amount of distribution to the extent not chargeable to tax under section 56(2)(xii) of the Act and not covered under sections 10(23FC), 10(23FCA) or 115UA(2) of the Act, shall be reduced from the cost of units for computing capital gains.

d. Set-off of losses:

Please refer to Para 1.5(f) above.

e. Applicability of MAT/ AMT:

In case of domestic companies that are liable to pay MAT under the provisions of section 115JB of the Act, the gains arising, if any, on sale of units of the Trust 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 under sections 115BAA or 115BAB of the Act. Companies exercising the option to be taxed as per section 115BAA or section 115BAB of the Act have been excluded from the applicability of MAT.

However, as per clauses (ii)/(fc) of Explanation 1 to section 115JB of the Act, the following shall not be considered while computing book profits for levy of MAT:

- notional gain/loss on transfer of shares of SPV in exchange of units allotted by the business trust referred to in clause (xvii) of section 47; or
- notional gain/loss resulting from any change in carrying amount of said units; or
- gain on transfer of units allotted by the business trust referred to in clause (xvii) of section 47.

Further, as per clauses (k)/(iif) of Explanation 1 to section 115JB of the Act, any gain/loss on transfer of units referred to in clause (xvii) of section 47 of the Act shall be considered while computing the book profit for levy of MAT by taking into account the cost of the shares exchanged with the units referred to in the said clause or the carrying amount of the shares at the time of exchange where such shares are carried at a value other than the cost through statement of profit and loss, as the case may be.

In case of unitholders other than companies that are liable to AMT under the provisions of section 115JC of the Act, the gains arising, if any, on sale of units of the Trust are to be included as part of the 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 under sections 115BAC or 115BAD of the Act.

2.2.2. Tax benefits in relation to non-resident Unitholders:

A non-resident shall be liable to tax in India in respect of:

- Income received or deemed to be received in India; or
- Income accrued or arisen or deemed to have accrued or arisen in India in terms of the provisions of the Act.

As per section 90(2) of the Act, the provisions of the Act shall apply to the extent they are more beneficial than the provisions of the Double Taxation Avoidance Agreement ('DTAA') between India and the country of residence of the non-resident unitholder. However, for claiming DTAA benefit, the non-resident would have to provide relevant documents/declarations viz. tax residency certificate, Form 10F, etc. as per the requirements of the Act/ DTAA.

a. Dividend which is not exempt under section 10(23FD) of the Act (i.e., dividend received by the Trust from SPV who has exercised the option under section 115BAA of the Act):

The said dividend income will be taxable at the rate of 20% (plus applicable surcharge and cess) under the Act. This is subject to relief, if any, under the applicable DTAA.

b. Interest income earned from the SPV and distributed by the Trust:

The said interest income is not exempt under section 10(23FD) of the Act in the hands of the non-resident unitholders and would be taxable at 5% (plus applicable surcharge and cess). This is subject to relief, if any, under the applicable DTAA.

c. Other distribution by the Trust not covered under section 115UA(2) of the Act:

As per newly inserted section 56(2)(xii) of the Act, any distribution received by non-resident unitholders that is not covered under section 10(23FC) or 10(23FCA) of the Act and which is not chargeable to tax under section 115UA(2) of the Act, shall be chargeable to tax as 'income from other sources' provided such amount received (including similar distributions in earlier years to the same unitholder or any other unitholder) is in excess of the amount at which units are issued by the business trust, as reduced by the amount charged to tax earlier under this provision.

Subject to relief, if any, under the applicable DTAA, such other distribution of income shall be chargeable to tax in the hands of the non-resident unitholders as under:

Status of unitholder	Tax rate under the Act (excluding surcharge and cess)
Foreign companies	40%
Firms, LLPs	30%
Others	As per applicable rates, e.g., in case of individuals, income shall be taxed as per applicable slab rates, maximum being 30%

d. Capital gains on sale of units of the Trust:

Capital assets are classified as LTCA or STCA, based on the period of holding of these assets. The determinative period of holding for units of the Trust to qualify as LTCA is more than 36 months. Units held for less than 36 months would be STCA.

While determining the period of holding for units of business trust allotted pursuant to exchange of shares of SPV as per clause (hc) of Explanation 1 to section 2(42A) of the Act, the period of holding for the units shall include the period for which the shares were held in the SPV.

Subject to applicable DTAA relief, if any, taxation of capital gains on sale of units of the Trust shall be as under:

Nature of Capital gains	Tax rate under the Act (excluding surcharge and cess)
STCG on sale of units of the Trust being a listed InvIT, subject to STT	15%
LTCG on sale of units of the Trust being a listed InvIT, subject to STT	10%

As per the amendment made by the Finance Act, 2023, the amount of distribution to the extent not chargeable to tax under section 56(2)(xii) of the Act and not covered under sections 10(23FC), 10(23FCA) or 115UA(2) of the Act, shall be reduced from the cost of units for computing capital gains.

e. Set-off of losses:

Please refer to Para 1.5(f) above.

f. Applicability of MAT/ AMT:

While computing book profits to determine the applicability of MAT, any income accruing or arising to a foreign company from capital gains arising on transactions in "securities" within the meaning of section 2(h) of the Securities Contracts (Regulation) Act, 1956 should be excluded if such income is credited by the foreign company to its statement of profit and loss account and the income-tax payable thereon under the Act is at a rate less than 18.5% (excluding surcharge and cess).

Further, the MAT provisions shall not be applicable in case of a foreign company:

- if such foreign company is a resident of a country with which India has entered into a DTAA and such foreign company does not have a permanent establishment in India in terms of provisions of the applicable DTAA; or

- if such foreign company is a resident of a 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.

In case of unitholders other than companies that are liable to AMT under the provisions of section 115JC of the Act, the gains arising, if any, on sale of units of the Trust are to be included as part of the 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 under sections 115BAC or 115BAD of the Act.

2.2.3. Special tax benefits in relation to Unitholders being Foreign Institutional Investors ('FIIs') / Foreign Portfolio Investors ('FPIs')

- a. As per the provisions of section 2(14) of the Act, any securities held by an FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992, shall be regarded as a capital asset. Accordingly, any income arising on transfer of such capital assets shall be in the nature of capital gains.
- b. The determinative period of holding for such units to qualify as LTCA is more than 36 months. Thus, units held for up to 36 months shall qualify as STCA.
- c. LTCG exceeding INR 0.1 million arising in the hands of FIIs/ FPIs on transfer of units of the Trust through a recognized stock exchange on which STT has been paid, shall be taxable under section 112A of the Act – please refer to Para 1.5(c) above.
- d. LTCG arising in the hands of FIIs/ FPIs on transfer of units of the Trust, which is not effected through a recognized stock exchange and not subject to STT, shall be chargeable to tax at 10%, without the benefit contained in the first and second provisos to section 48 of the Act (plus applicable surcharge and cess) in accordance with section 115AD of the Act. (Subject to applicable DTAA relief, if any).
- e. Similarly, STCG on transfer of the units of the Trust shall 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 transfer is made through a recognized stock exchange and the transaction is subject to STT. (Subject to applicable DTAA relief, if any).
- f. However, as per section 115AD(1)(ii) of the Act, STCG arising to the FIIs/ FPIs on transfer of units of the Trust, which is not through a recognized stock exchange and not subject to STT, shall be taxable at the rate of 30% (plus applicable surcharge and cess).
- g. As per section 196D(2) of the Act, TDS shall not apply in respect of income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Act payable to FIIs/ FPIs.
- h. On any other income in respect of securities referred to in section 115AD(1)(a) of the Act, other than capital gains and interest income subject to TDS under section 194LD of the Act, TDS shall apply at 20% (plus applicable surcharge and cess) as per section 196D of the Act, subject to applicable DTAA relief, if any.

2.2.4. Special tax benefits in relation to Unitholders being Mutual Funds:

- a. Exemption is provided under section 10(23D) of the Act in respect of income of:
 - Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made thereunder; and
 - Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.
- b. As per the provisions of section 196 of the Act, TDS shall not apply on any sum payable to a Mutual Fund specified under section 10(23D) of the Act. Accordingly, the Trust is not required to withhold tax on any sum payable to Mutual Fund specified under section 10(23D) of the Act.

2.2.5. Special tax benefits in relation to Unitholders being Venture Capital Companies ('VCC')/ Venture Capital Funds ('VCF');

For VCC/ VCF registered prior to 21 May 2012

Under Section 10(23FB) of the Act, any income from investment in a Venture Capital Undertaking ('VCU') arising to a VCC/ VCF (not being an investment fund specified in clause (a) of Explanation 1 to section 115UB) to whom a certificate of registration has been granted before 21 May 2012 under SEBI (Venture Capital Funds) Regulations, 1996, or as a sub-category of Category I Alternative Investment Fund ('AIF') as is regulated under SEBI (AIF Regulations), 2012 made under the SEBI Act, 1992, shall be exempt from income tax, subject to conditions specified therein.

Further, as per Section 115U of the Act, any income derived by a person out of investments made in a VCC/ VCF shall be taxable in the hands of the person making the investment in the same manner as if it were the income accruing or arising to or received by such person had the investments been made directly in the VCU.

For VCC/ VCF registered post 21 May 2012

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

2.2.6. Special tax benefits in relation to Unitholders being certain specified person

a. As per section 10(23FE) of the Act, dividend, interest, income taxable under section 56(2)(xii) of the Act and LTCG 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:

- made on or after 1 April 2020 but on or before 31 March 2024;
- is held for at least 3 years; and
- inter alia, is in a business trust

b. Further, such specified person (subject to certain conditions prescribed in section 10(23FE)) shall include:

- Wholly owned subsidiary of Abu Dhabi Investment Authority
- Sovereign Wealth Funds as notified by the Central Government
- Pension funds as notified by the Central Government

II. TAX DEDUCTION AT SOURCE

a. Withholding of tax by SPV:

The interest payable by SPV to the Trust shall not be subject to withholding tax as per section 193 and 194A of the Act.

As per section 194 of the Act, the SPV shall not be required to withhold taxes when they make payment of dividend to the Trust.

b. Withholding of tax 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.

The distribution of income, in the nature of interest or dividend, by the trust to the unitholders, would be subject to TDS under section 194LBA of the Act at the time of credit of such payment to the account of the unitholders, or at the time of payment thereof, whichever is earlier. The rate of withholding as per section 194LBA of the Act shall be as under:

- On interest income:
 - 10% in case of resident unitholder; and
 - 5% in case of non-resident unitholder
- On dividend income, being that proportion of dividend earned from an SPV which has exercised the option of beneficial tax regime under section 115BAA of the Act
 - 10% in case of resident unitholder; and
 - 20% in case of non-resident unitholder
- On dividend income, being that proportion of dividend earned from an SPV which has not exercised the option of beneficial tax regime under section 115BAA of the Act, no TDS shall apply.

- The TDS rates above shall be subject to surcharge, cess and DTAA benefit, if applicable.
- On certain distributions proposed to be considered as income for the unitholders, as per the amendment introduced in the Finance Act, 2023, it would be pertinent to note that the Finance Act, 2023 has not introduced any separate withholding tax provisions with respect to such distributions. Accordingly, the Trust maybe required to withhold tax under section 195 of the Act. The withholding tax rate applicable on such distributions shall be determined on the basis of the tax residential status of the unitholder and applicable DTAA benefits, if any.

c. Withholding of tax in case of transfer of shares/securities:

No 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-resident unitholders may be subject to TDS at the rate under the domestic tax laws or under the DTAA, whichever is beneficial to the assessee (other than FIIs/ FPIs which are subject to provisions of section 196D(2) of the Act – please refer to Para 2.2.3 above). The TDS shall be subject to any lower withholding tax certificates that may have been issued to the unitholders under the provisions of the Act.

Applicability of DTAA benefit, if any, shall be subject to furnishing of relevant documents/declarations viz. tax residency certificate, Form 10F, etc. by the non-resident unitholders.

Buyer and seller of unlisted shares/securities also need to check the applicability of TDS under section 194Q of the Act read with the Tax Collection at Source ('TCS') provisions under section 206C(1H) of the Act. As per the clarification issued by the Central Board of Direct Taxes ('CBDT') vide Circular No. 17/2020 dated 29 September 2020, the provisions of section 206C(1H) shall not apply in relation to transactions in securities and commodities which are traded through recognized stock exchanges or cleared and settled by recognized clearing corporation, including recognized stock exchanges or recognized clearing corporation located in IFSC.

Further, vide Circular No. 13/ 2021 dated 30 June 2021, the CBDT has clarified that if buyer has deducted tax on a transaction under section 194Q of the Act, the seller is not required to collect tax under section 206C(1H) of the Act on the same transaction. However, if, for any reason, tax has been collected by the seller under section 206C(1H) before the buyer could deduct tax under section 194Q of the Act on the same transaction, then buyer need not to deduct tax at source under section 194Q of the Act.

d. TDS at higher rate where Permanent Account Number ('PAN') details are not furnished by the unitholders - section 206AA of the Act

As per section 206AA of the Act, where a taxpayer does not possess a 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% / 5% where tax is required to be deducted under sections 194-O or 194Q

Rule 37BC was introduced with effect from 24 June 2016 to provide for relaxation from higher TDS under section 206AA if the non-resident payee furnishes prescribed details and documents to the payer of specified income.

Please note that similar provisions are there under section 206CC of the Act in relation to TCS.

e. TDS at higher rate in case of non-filers of income-tax return - section 206AB of the Act

The Finance Act, 2021 had introduced a new provision - section 206AB in the Act for deducting tax at higher rates on payments made to non-filers of income-tax returns. Section 206AB of the Act applies where any sum or income or amount is paid, or payable or credited, by a person to a specified person and tax is required to be deducted at source as per provisions of the Act (except under sections 192, 192A, 194B, 194BB, 194-IA, 194-IB, 194LBC, 194M or 194N of the Act).

Specified person means a person who has not filed the return of income for the assessment year relevant to the previous year immediately preceding the financial year in which tax is required to be deducted for which time limit for furnishing return of income under section 139(1) of the Act has expired and the aggregate of TDS and TCS is INR 50,000 or more in the said previous year. Further, specified person shall not include a non-resident who does not have a permanent establishment in India or any other person who is not required to furnish return of income for the assessment year relevant to the said previous year and is notified by the Government in this regard.

In case the aforesaid section is applicable, tax shall be deducted at higher of the followings rates:

- twice the rate specified in the relevant provision of the Act; or
- twice the rate or rates in force; or
- the rate of 5%.

If provisions of section 206AA and section 206AB of the Act are applicable to a specified person, then, tax shall be deducted at higher of the two rates provided under the respective sections of the Act.

Please note that similar provisions are there under section 206CCA of the Act in relation to TCS.

III. OTHER PROVISIONS

a. Section 94(7) of the Act (commonly known as dividend stripping)

Section 94(7) of the Act provides that where:

- (i) Any person buys or acquires any securities or unit within a period of three months prior to the record date¹;
- (ii) Such person sells or transfers such securities within three months after such record date or such unit within nine months after such record date;
- (iii) The dividend or income on such securities or unit received or receivable by such person is exempt

then, the loss, if any, arising on account of such purchase and sale of securities or unit, to the extent of the dividend or income received or receivable on such securities or unit, shall be ignored for computing income chargeable to tax.

Finance Act, 2022 has extended the applicability of section 94(7) to a business trust as defined in section 2(13A) of the Act.

b. Section 94(8) of the Act (commonly known as bonus stripping)

Section 94(8) of the Act provides that where:

- (i) Any person buys or acquires any securities or units within three months prior to the record date²;
- (ii) Such person is allotted additional securities or units without any payment on the basis of holding of such securities or units on such date;
- (iii) Such person sells or transfers all or any of the securities or units within nine months after the record date, while continuing to hold all or any of the additional securities or units referred in clause (ii) above

then, the loss, if any, arising on account of such purchase and sale of all or any of the securities or units shall be ignored for computing income chargeable to tax and notwithstanding anything contained in any other provision of the Act, the amount of loss so ignored shall be deemed to be the cost of purchase or acquisition of such additional securities or units referred to in clause (ii) above as are held on the date of such sale or transfer.

Finance Act, 2022 has extended the applicability of section 94(8) to a business trust as defined in section 2(13A) of the Act.

Notes to statement

General tax rates and provisions:

1. The income-tax rates specified in this note are as applicable for the Financial Year 2023-24 relevant to the Assessment Year 2024-25, and are exclusive of surcharge and cess, if any. Rates of surcharge and cess are as provided below:

Surcharge:

Domestic companies:

¹ Record date means a date fixed for the purposes of entitlement of the holder of the securities or units, as the case may be, to receive dividend, income, or additional securities or units without any consideration, as the case may be.

² Record date means a date fixed to entitles the holder of such securities or units to receive dividend, income, or additional securities or unit without consideration, as the case may be

- (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%

Individuals, HUF, AOP, BOI:

- (i) If the total income does not exceed INR 5 million - Nil
- (ii) If the total income (including dividend income or income under the provisions of section 111A, section 112 and section 112A of the Act) exceeds INR 5 million but does not exceed INR 10 million – 10%
- (iii) If the total income (including dividend income or income under the provisions of section 111A, section 112 and section 112A of the Act) exceeds INR 10 million but does not exceed INR 20 million – 15%
- (iv) If the total income (excluding dividend income or income under the provisions of section 111A, section 112 and section 112A of the Act) exceeds INR 20 million but does not exceed INR 50 million – 25%
- (v) If the total income (excluding dividend income or income under the provisions of section 111A, section 112 and section 112A of the Act) exceeds INR 50 million – 37%
- (vi) If the total income (including dividend income or income under the provisions of section 111A, section 112 and section 112A of the Act) exceeds INR 20 million, but is not covered under (iv) and (v) above – 15%

However, in case the total income includes any income by way of dividend or income under the provisions of section 111A, section 112 or section 112A of the Act, surcharge in respect of that part of income shall not exceed 15%.

In case of an Association of Persons consisting of only companies as its members, surcharge shall not exceed 15% if the total income exceeds INR 10 million.

The above surcharge is subject to marginal tax benefit as per the Act.

As per the Finance Act, 2023, in case of Individuals, HUF, AOP (other than a co-operative society), BOI, AJP taxable under the New Regime prescribed under section 115BAC of the Act, the surcharge shall not exceed 25% if the total income exceeds INR 20 million.

Firms, LLPs

- (i) If the total income does not exceed INR 10 million – Nil
- (ii) If the total income exceeds INR 10 million - 12 %

The above surcharge is subject to marginal tax benefit as per the Act.

Health and Education cess:

In all cases, Health and Education cess will be levied at the rate of 4% of the aggregate 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. 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.
4. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable DTAA, if any, between India and the country in which the non-resident has fiscal domicile. Further, it is pertinent to meet the terms and conditions viz. tax residency, Principal purpose test, beneficial ownership test etc. as enacted in DTAA's entered into by India with various countries based on Multilateral Instrument to implement tax treaty related measures to prevent Base Erosion and Profit Shifting.
5. The tax implications/ benefits stated in this document are subject to General Anti Avoidance Rules ('GAAR') provisions under the Act. GAAR may be invoked by the Indian income-tax authorities in case arrangements are found to be impermissible avoidance arrangements. Further, in case GAAR provisions are invoked, the onus to prove that the main purpose of an arrangement was not to obtain any tax benefit is on the taxpayer. Also, any resident or non-

resident may approach the Board for Advance Rulings (earlier Authority for Advance Rulings) to determine whether an arrangement can be regarded as an impermissible avoidance arrangement.

6. This statement does not discuss any tax consequences in a country outside India of an investment in the units of The Trust. The unitholders / investors in the country outside India are advised to consult their own professional advisors regarding possible tax consequences that apply to them in such country outside India.
7. 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.
8. 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 for 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.
9. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2023 applicable for the Financial Year ending 31 March 2024 relevant to the Assessment Year 2024-25. 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.
10. The information provided above 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 the purchase, ownership, transfer 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 advisor 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.

LEGAL MATTERS

Cyril Amarchand Mangaldas does not make, or purport to make, any statement in this Draft Placement Memorandum and is not aware of any statement in this Draft Placement Memorandum which purports to be based on a statement made by it, and it makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Draft Placement Memorandum.

S&R Associates does not make, or purport to make, any statement in this Draft Placement Memorandum and is not aware of any statement in this Draft Placement Memorandum which purports to be based on a statement made by it, and it makes no representation, express or implied, regarding, and to the extent permitted by law takes no responsibility for, any statement in or omission from this Draft Placement Memorandum.

INDEPENDENT ACCOUNTANTS

The Audited Special Purpose Combined Financial Statements have been prepared in accordance with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 read with the InvIT Regulations and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India. The Audited Special Purpose Combined Financial Statements included in this Draft Placement Memorandum have been audited by Deloitte Haskins & Sells LLP, the statutory auditors of the Trust, as stated in their audit report dated September 26, 2023 included in this Draft Placement Memorandum.

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts, which are or may be deemed material have been entered or are to be entered into 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 filing the Placement Memorandum until the date of listing of the Units pursuant to this Offer. Any of the contracts or documents mentioned in this Draft Placement Memorandum 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 Unitholder, subject to compliance with applicable law and InvIT Documents.

1. Trust Deed entered into among the Sponsors and the Trustee dated July 20, 2023.
2. Investment management agreement entered into among the Trustee (acting on behalf of the Trust), the Initial Portfolio Assets and the Investment Manager dated September 15, 2023.
3. SEBI registration certificate for the Trust bearing number IN/InvIT/23-24/0027 dated August 11, 2023 as an infrastructure investment trust.
4. Placement Agreement entered into among the Trust (acting through its Trustee), the Investment Manager, the Trustee, the Sponsors, the Selling Unitholder, the Project Manager and the Placement Agents, dated September 26, 2023.
5. Cash Escrow Agreement to be entered into among the Trust (acting through its Trustee), the Investment Manager, the Trustee, the MSPL Sponsor, the Placement Agents and the Escrow Collection Bank.
6. Unit Escrow Agreement to be entered into among the Trust (acting through its Trustee), the Investment Manager, the Trustee, Selling Unitholder and the Unit Escrow Agent.
7. Tripartite agreement dated September 14, 2023, among NSDL, the Trust, and the Registrar.
8. Tripartite agreement dated September 18, 2023 among CDSL, the Trust and the Registrar.
9. Certified copies of the updated Memorandum and Articles of Association of the Investment Manager as amended from time to time.
10. Board resolution of the Investment Manager dated September 25, 2023, authorising this Offer.
11. Consents from the (i) Placement Agents; (ii) Legal counsel to the Trust and to the Sponsors as to Indian law; (iii) Legal Counsel to the Placement Agents as to Indian Law; (iv) Initial Portfolio Assets, the Sponsors, the Project Manager and the Investment Manager; (v) Valuer; (vi) Registrar; (vii) Compliance Officer of the Trust; (viii) Technical Consultant; (ix) CRISIL Limited; and (x) CRISIL Ratings Limited.
12. Audited Special Purpose Combined Financial Statements for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021 and the report thereon.
13. Projections of Revenue from Operations and Cash Flow from Operating Activities and the report thereon.
14. Summary special purpose consolidated financial statements of the MSPL Sponsor, as of and for the financial years ended March 31, 2023, March 31, 2022 and March 31, 2021, and summary audited standalone financial statements of the OTPP Sponsor for the financial years ended December 31, 2022, December 31, 2021 and December 31, 2020.
15. The statement of possible tax benefits dated September 26, 2023 issued by the Auditor.
16. Corporate governance policies adopted by the Investment Manager on behalf of the Trust.
17. Letter arrangement dated September 26, 2023 executed amongst Mahindra Holdings Limited, Mahindra & Mahindra and 2452991 Ontario Limited.
18. In-principle listing approval dated [●] issued by NSE.
19. Share purchase agreements to be entered into among the MSPL Sponsor, the Investment Manager, the Trustee (acting on behalf of the Trust) and the Initial Portfolio Assets.
20. Project implementation and management agreement to be entered into among the Trustee (acting on behalf of the Trust), the Investment Manager, the Project Manager, and the Initial Portfolio Assets.

21. Shared and Transition Services Agreement to be entered into among the Trustee (acting on behalf of the Trust), the Investment Manager, the MSPL Sponsor, and each of the Initial Portfolio Assets.
22. Trust loan agreement to be entered into among the Trustee (acting on behalf of the Trust), the Investment Manager, and the Initial Portfolio Assets.
23. ROFO agreement to be entered into among the Trustee (acting on behalf of the Trust), the Investment Manager and the Sponsors.
24. Power Purchase Agreement dated May 31, 2020 entered into among Mega Suryaurja Private Limited and Solar Energy Corporation of India Limited.
25. Power Purchase Agreement dated February 24, 2016 entered into between Neo Solren Private Limited and Northern Power Distribution Company of Telangana Limited.
26. Power Purchase Agreements dated September 2, 2016 entered into between Mahindra Susten Private Limited and National Thermal Power Corporation Limited.
27. Power Purchase Agreement dated January 15, 2020 entered into between Mahindra Susten Private Limited and Solar Energy Corporation of India Limited.
28. Power Purchase Agreements dated December 4, 2014 entered into between Brightsolar Renewable Energy Private Limited and Southern Power Distribution Company of Andhra Pradesh Limited.
29. Power Purchase Agreements dated August 4, 2016 and August 29, 2016 entered into between Astra Solren Private Limited and Solar Energy Corporation of India Limited.
30. Power Purchase Agreements dated April 17, 2017 entered into between (i) Megasolis Renewables Private Limited (formerly known as, Mahindra Renewables Private Limited), M.P Power Management Company Limited and Rewa Ultra Mega Solar Limited; and (ii) Rewa Ultra Mega Solar Limited and Delhi Metro Rail Corporation.
31. Power Purchase Agreement dated December 28, 2018 entered into between Megasolis Renewables Private Limited and Solar Energy Corporation of India Limited.

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Priya Subbaraman
Director

Date: September 26, 2023
Place: New Delhi

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Sadashiv S. Rao
Director

Date: September 26, 2023
Place: Coimbatore

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Sumit Dayal
Director

Date: September 26, 2023
Place: Singapore

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Bruce Ross Crane
Independent Director

Date: September 26, 2023
Place: Singapore

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Debapratim Hajara
Independent Director

Date: September 26, 2023
Place: Singapore

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Sustainable Energy Infra Investment Managers Private Limited**

Sd/-

Puneet Renjhen
Independent Director

Date: September 26, 2023
Place: Mumbai

DECLARATION

The OTPP Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the OTPP Sponsor and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The OTPP Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the OTPP Sponsor and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **2726522 Ontario Limited**

Sd/-

Bruce Ross Crane
Director

Date: September 26, 2023

Place: Singapore

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Ramesh Ganesh Iyer
Director

Date: September 26, 2023
Place: Mumbai

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Deepaksingh Chandrasingh Thakur
Director

Date: September 26, 2023

Place: New Delhi

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Amit Kumar Sinha
Director

Date: September 26, 2023
Place: Mumbai

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Anjali Gupta
Director

Date: September 26, 2023

Place: Mumbai

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Bruce Ross Crane
Director

Date: September 26, 2023
Place: Singapore

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Debapratim Hajara
Director

Date: September 26, 2023

Place: Singapore

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Diwakar Gupta
Director

Date: September 26, 2023

Place: Lucknow

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Manoj Bhat
Director

Date: September 26, 2023

Place: The United States of America

DECLARATION

The MSPL Sponsor hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The MSPL Sponsor further certifies that all the statements and disclosures in this Draft Placement Memorandum in relation to the MSPL Sponsor, the Initial Portfolio Assets and its Associates are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Puneet Renjhen
Director

Date: September 26, 2023
Place: Mumbai

DECLARATION

Mahindra Susten Private Limited, being a Selling Unitholder hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, 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 in this Draft Placement Memorandum in relation to itself and the Units offered by it in the Offer for Sale are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Mahindra Susten Private Limited**

Sd/-

Deepaksingh Chandrasingh Thakur
Director

Date: September 26, 2023
Place: New Delhi

DECLARATION

The Trustee hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Draft Placement Memorandum is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Trustee further certifies that all the statements and disclosures in this Draft Placement Memorandum are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Axis Trustee Services Limited**

Sd/-

Authorised Signatory

Date: September 26, 2023

Place: Mumbai

ANNEXURE A - AUDITED SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS

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INDEPENDENT AUDITOR'S REPORT ON SPECIAL PURPOSE COMBINED FINANCIAL STATEMENTS OF THE PROPOSED TRUST GROUP

To
The Board of Directors,
Sustainable Energy Infra Investment Managers Private Limited (the "Investment Manager") in
its capacity as an Investment Manager of the Sustainable Energy Infra Trust (the "Issuer" or
the "Trust")
Mahindra Towers
Pandurang Budhkar Marg, Near Doorsharshan Kendra, Worli
Mumbai – 400018, Maharashtra, India.

Report on the Audit of the Special Purpose Combined Financial Statements of the Proposed Trust Group

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of the proposed subsidiaries of Sustainable Energy Infra Trust (the "Issuer" or the "Trust") comprising of:

1. Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited);
2. Emergent Solren Private Limited;
3. Mega Suryaurja Private Limited;
4. Astra Solren Private Limited;
5. Neo Solren Private Limited; and
6. Brightsolar Renewable Energy Private Limited

(collectively, the "Proposed Trust Group") as described in Note 1 of the special purpose combined financial statements, which comprise the Combined Balance Sheets as at March 31, 2023, 2022 and 2021, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Statements of Cash Flows and the Combined Statements of Changes in Equity for the years ended March 31, 2023, 2022 and 2021, and a summary of significant accounting policies and other explanatory information (together referred to as the "Special Purpose Combined Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditors on the special purpose financial statements of certain proposed subsidiaries referred to in the Other Matter section below, the aforesaid Special Purpose Combined Financial Statements give a true and fair view in accordance with the basis of preparation set out in Note 2.1 to the Special Purpose Combined Financial Statements, of the combined state of affairs of the Proposed Trust Group as at March 31, 2023, 2022 and 2021 and of their combined profit, their combined total comprehensive income, their combined cash flows and their combined changes in equity for the years ended March 31, 2023, 2022 and 2021.

Basis for Opinion

We conducted our audit of the Special Purpose Combined Financial Statements in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India (ICAI). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the audit of the Special Purpose Combined Financial Statements section of our report. We are independent of the Proposed Trust Group in accordance with the Code of Ethics issued by the ICAI and we have fulfilled our ethical responsibilities in accordance with the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their report referred to in the Other Matter section below, is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose Combined Financial Statements.

Emphasis of Matter

Basis of Accounting and Restriction on Use - We draw attention to Note 2.1 to the Special Purpose Combined Financial Statements, which describes the purpose and basis of preparation of the Special Purpose Combined Financial Statements. The Special Purpose Combined Financial Statements have been prepared by the Investment Manager to meet the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder (the "InvIT Regulations") and for inclusion in the Draft Placement Memorandum (the "DPM") prepared by the Investment Manager in connection with the proposed private placement of the units of the Trust. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Our report is intended solely for the purpose of inclusion in DPM and is not to be used, referred to or distributed for any other purpose without our prior written consent.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Special Purpose Combined Financial Statements

The Investment Manager's management is responsible for the preparation and presentation of these Special Purpose Combined Financial Statements which have been approved by the Board of Directors that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Proposed Trust Group in accordance with the basis of preparation as set out in Note 2.1 to the Special Purpose Combined Financial Statements for the purpose set out in "Emphasis of Matter- Basis of Accounting and Restriction on Use" paragraph above.

The respective Board of Directors of the companies included in the Proposed Trust Group and the Board of Directors of Investment Manager are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Proposed Trust Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose Combined Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Special Purpose Combined Financial Statements by the Board of Directors of the Investment Manager, as aforesaid.

In preparing the Special Purpose Combined Financial Statements, the Board of Directors of the Investment Manager and the respective Board of Directors of companies included in the Proposed Trust Group are responsible for assessing the ability of the Proposed Trust Group and the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Investment Manager and the respective Board of Directors of companies included in the Proposed Trust Group either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of companies included in the Proposed Trust Group are also responsible for overseeing the Proposed Trust Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Special Purpose Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Special Purpose Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Special Purpose Combined Financial Statements.

As part of our audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Special Purpose Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the Proposed Trust Group's internal financial control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Proposed Trust Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Special Purpose Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Proposed Trust Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Special Purpose Combined Financial Statements, including the disclosures, and whether the Special Purpose Combined Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Proposed Trust Group to express an opinion on the Special Purpose Combined Financial Statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the Special Purpose Combined Financial Statements of which we are the independent auditors. For the other entities included in the Special Purpose Combined Financial Statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the Special Purpose Combined Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Special Purpose Combined Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Special Purpose Combined Financial Statements.

We communicate with those charged with governance of the Proposed Trust Group and such other entities included in the Special Purpose Combined Financial Statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

We did not audit the special purpose financial statements of certain proposed subsidiaries, whose special purpose financial statements reflect total assets, total revenues and net cash (outflows)/ inflows, for the relevant years is tabulated below, as considered in the Special Purpose Combined Financial Statements. These special purpose financial statements have been audited by other auditors whose report have been furnished to us by the Management and our opinion on the Special Purpose Combined Financial Statements, in so far as it relates to the amounts and disclosures included in respect of other entities, and our report on other legal and regulatory requirements mentioned below, in so far as it relates to the aforesaid other entities is based solely on the report of the other auditors.

Particulars	(Amount Rs. in million)		
	As at/ for the year ended March 31, 2023	As at/ for the year ended March 31, 2022	As at/ for the year ended March 31, 2021
Number of proposed subsidiaries	4	4	2
Total assets	21,471.23	21,414.48	7,234.57
Total revenue	2,309.76	1,160.09	1,094.72
Net cash (outflows)/ inflows	(679.95)	1,003.39	164.30

Our opinion on the Special Purpose Combined Financial Statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by the InvIT Regulations, based on our audit and on the consideration of the report of the other auditors on the special purpose financial statements of other entities referred to in the Other Matter section above, we report, to the extent applicable 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 of the aforesaid Special Purpose Combined Financial Statements;
- b) The Combined Balance Sheet, the Combined Statement of Profit and Loss (including Other Comprehensive Income), the Combined Statement of Cash Flow and the Combined Statement of Changes in Equity, dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the Special Purpose Combined Financial Statements;
- c) In our opinion, the aforesaid Special Purpose Combined Financial Statements comply with the basis of preparation as stated in Note 2.1 to the Special Purpose Combined Financial Statements; and
- d) In our opinion and to the best of our information and according to the explanations given to us, the Special Purpose Combined Financial Statements give the disclosures, in accordance with the InvIT Regulations, in respect of the Net Assets at fair value as at March 31, 2023 and the Total Returns at fair value for the year ended March 31, 2023.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)

Mehul Parekh
Partner
Membership No. 121513
UDIN 3121513BGYAGN3391

Place: Mumbai
Date: September 26, 2023

Sustainable Energy Infra Trust
(As defined in Note 1-Corporate Information)
Special Purpose Combined Balance Sheet
All amounts in Rupees millions unless otherwise stated

Particulars	Note No.	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
I. Assets				
Non-current assets				
a) Property, plant and equipment	3	50,906.64	39,820.86	21,418.82
b) Right-of-use assets	3A	1,108.08	1,157.12	1,206.16
c) Capital work-in-progress	3B	-	11,765.64	12,799.94
d) Financial assets				
i) Other financial assets	4	2,503.26	1,702.54	506.28
e) Income tax assets (net)	4A	47.79	41.14	45.02
f) Deferred tax assets (net)	5	37.43	0.30	70.06
g) Other non-current assets	6	38.20	228.60	230.24
Total non-current assets		54,641.40	54,716.20	36,276.52
Current assets				
a) Financial assets				
i) Trade receivables	7	811.27	1,150.43	763.22
ii) Cash and cash equivalents	8	1,569.02	2,024.11	1,455.04
iii) Other bank balances	8	945.00	430.10	160.10
iv) Other financial assets	4	973.43	632.00	319.48
b) Other current assets	6	22.92	16.39	116.50
Total current assets		4,321.64	4,253.03	2,814.34
Total assets		58,963.04	58,969.23	39,090.86
II. Equity and liabilities				
Equity				
a) Capital	9A	3,302.80	3,302.80	3,264.41
b) Other equity	9B	3,098.91	2,317.05	959.06
Total Equity		6,401.71	5,619.85	4,223.47
Liabilities				
Non-current liabilities				
a) Financial liabilities				
i) Borrowings	10	43,626.79	40,294.22	25,939.98
ii) Lease liabilities	3C	609.02	628.48	647.75
iii) Other financial liabilities	13	413.45	445.92	685.50
b) Deferred tax liabilities (net)	5	1,019.23	857.72	804.65
c) Other non current liabilities	14	1,945.28	1,522.67	370.66
Total non-current liabilities		47,613.77	43,749.01	28,448.54
Current liabilities				
a) Financial liabilities				
(i) Borrowings	11	1,781.80	999.26	2,144.42
(ii) Lease liabilities	3C	20.63	19.27	16.82
(iii) Trade payables	12	142.20	79.72	68.72
(iv) Other financial liabilities	13	2,845.06	8,328.52	4,099.05
b) Current tax liabilities (net)	4B	39.83	57.93	46.00
c) Other current liabilities	14	118.04	115.67	43.84
Total current liabilities		4,947.56	9,600.37	6,418.85
Total liabilities		52,561.33	53,349.38	34,867.39
TOTAL Equity and liabilities		58,963.04	58,969.23	39,090.86
The accompanying notes 1 to 38 are an integral part of the Special Purpose Combined Financial Statements				
In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants		For and on behalf of the Board of Directors Sustainable Energy Infra Investment Managers Private Limited (Acting as Investment Manager of Sustainable Energy Infra Trust)		
Mehul Parekh Partner		Avinash Rao Chief Executive Officer		
		Puneet Renjhen Director DIN: 09498488	Debapratim Hazara Director DIN: 09804007	
Place : Mumbai Date : 26th September 2023		Place : Mumbai	Place : Singapore	Date : 26th September 2023

Sustainable Energy Infra Trust
(As defined in Note 1-Corporate Information)
Special Purpose Combined Statement of Profit and Loss
All amounts in Rupees millions unless otherwise stated

Particulars	Note No.	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
I Income				
a) Revenue from operations	15	7,343.19	5,205.37	3,265.94
b) Other Income	16	306.86	127.75	82.53
Total Income		7,650.05	5,333.12	3,348.47
II Expenses				
a) Employee benefits expense	17	20.93	8.89	4.60
b) Finance cost	18	3,491.96	2,354.81	1,872.93
c) Depreciation and amortisation expense	19	2,041.17	1,369.58	1,298.80
d) Other expenses	20	1,150.41	789.12	363.08
Total Expenses		6,704.47	4,522.40	3,539.41
III Profit/(loss) before Exceptional gain and tax (I-II)		945.58	810.72	(190.94)
IV Add: Exceptional gain	16A	-	-	484.28
V Profit before tax (III+IV)		945.58	810.72	293.34
VI Tax Expense/(Income)		163.72	165.32	(124.45)
a) Current tax	5	39.34	42.50	37.09
b) Deferred tax charge/(credit)	5	124.38	122.82	(161.54)
VII Profit for the year (V-VI)		781.86	645.40	417.79
VIII Other Comprehensive Income				
Items that will not be reclassified subsequently to profit or loss		-	-	-
Items that will be reclassified to profit or loss		-	-	-
Total other comprehensive income		-	-	-
IX Total comprehensive income for the year (VII+VIII)		781.86	645.40	417.79
Earnings per unit:				
Basic (In Rupees)	23			
Diluted (In Rupees)	23			
The accompanying notes 1 to 38 are an integral part of the Special Purpose Combined Financial Statements				
In terms of our report attached For Deloitte Haskins & Sells LLP Chartered Accountants		For and on behalf of the Board of Directors Sustainable Energy Infra Investment Managers Private Limited (Acting as Investment Manager of Sustainable Energy Infra Trust)		
Mehul Parekh Partner		Avinash Rao Chief Executive Officer		
		Puneet Renjhen Director DIN: 09498488	Debapratim Hazara Director DIN: 09804007	
Place : Mumbai Date : 26th September 2023		Place : Mumbai Date : 26th September 2023		Place: Singapore

Sustainable Energy Infra Trust
(As defined in Note 3-Corporate Information)
Special Purpose Combined Statement of Cash Flows
All amounts in Rupees millions unless otherwise stated

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Cash flows from operating activities:			
Profit before tax for the year	945.58	810.72	293.34
Adjustments for:			
Finance cost (Excluding unwinding of lease)	3,444.97	2,306.54	1,823.47
Interest on lease liability	46.99	48.27	49.46
Interest income	(262.42)	(101.44)	(56.21)
Gain on disposal of investment	-	-	(484.28)
Net loss/(gain) on foreign currency transactions	351.18	239.02	8.99
Amortisation of deferred revenue	(19.39)	(26.32)	(26.32)
Provision for impairment of assets	2.83	-	-
Depreciation and amortisation expense	2,041.17	1,369.58	1,298.80
Liabilities no longer required written back	(2.29)	-	-
Provision for doubtful debts	-	19.32	-
Provision on bad debts written back	(15.34)	-	-
Operating cash flows before working capital changes	6,533.28	4,665.69	2,907.25
Movements in working capital:			
(Increase)/decrease in trade receivables and Unbilled revenue	273.86	(637.05)	(108.81)
(Increase)/decrease in other financial assets	(123.35)	(1,259.98)	71.61
(Increase)/decrease in other current assets	(6.53)	100.10	(112.07)
(Decrease)/Increase in trade payables	64.77	11.00	(42.69)
(Decrease)/Increase in other financial liabilities	(82.52)	450.12	1,324.18
(Decrease)/Increase in other liabilities	444.38	1,250.16	(16.97)
Cash flows from operations	570.61	(85.65)	1,115.25
Income taxes (paid)/refund	(63.40)	(26.70)	0.09
Net cash generated by operating activities	7,040.49	4,553.34	4,022.59
Cash flows from investing activities			
Payments for purchase of property, plant and equipment	(6,820.09)	(15,411.68)	(11,314.62)
Payments to acquire financial assets (Fixed deposits and Earmarked balances)	(1,423.86)	(284.90)	(353.46)
Investment in equity instruments	-	(107.34)	-
Interest received	233.21	98.07	57.52
Sale of non current investments	-	-	1,244.79
Net cash used in investing activities	(8,010.74)	(15,705.85)	(10,365.77)
Cash flows from financing activities:			
Proceeds from borrowings	30,220.78	21,071.15	15,240.80
Repayment of borrowings	(26,105.67)	(6,389.49)	(8,715.57)
Proceeds from Short term borrowings	-	-	1,472.58
Repayment of Short term borrowings	-	(1,472.58)	-
Payment of principal portion of lease liabilities	(18.11)	(16.81)	(15.64)
Payment of interest portion of lease liabilities	(46.99)	(48.27)	(49.46)
Proceeds from issue of equity shares (including securities premium)	-	850.00	-
Interest paid	(3,534.85)	(2,272.42)	(1,769.53)
Net cash generated from financing activities	515.16	11,721.58	6,163.18
Net increase/(decrease) in cash and cash equivalents	(455.09)	569.07	(180.00)
Cash and cash equivalents at the beginning of the year	2,024.11	1,455.04	1,635.04
Cash and cash equivalents at the end of the year	1,569.02	2,024.11	1,455.04

Sustainable Energy Infra Trust
(As defined in Note 1-Corporate Information)
Special Purpose Combined Statement of Cash flows
All amounts in Rupees millions unless otherwise stated

Notes:

- (i) The above special purpose combined statement of cash flows has been prepared under the "Indirect method" as set out in 'Indian Accounting Standard (Ind AS) 7 - statement of cash flows'
(ii) Changes in Liabilities arising from financing activities

For the year ended 31st March 2023

Particulars	Opening Balance as at 1st April 2022	Cash flow from financing activities		Finance Cost	Closing Balance as at 31st March 2023
		Inflow	Outflow		
Non current borrowings (Including current maturities)	41,293.48	30,220.78	26,105.67	3,534.85	45,408.59
Lease	647.75	-	65.09	46.99	629.65

For the year ended 31st March 2022

Particulars	Opening Balance as at 1st April 2021	Cash flow from financing activities		Finance Cost	Closing Balance as at 31st March 2022
		Inflow	Outflow		
Non current borrowings (Including current maturities)	26,611.81	21,071.15	6,389.49	2,272.42	41,293.47
Current borrowings	1,472.58	-	1,472.58	-	-
Lease	664.57	-	65.09	48.27	647.74

For the year ended 31st March 2021

Particulars	Opening Balance as at 1st April 2020	Cash flow from financing activities		Finance Cost	Closing Balance as at 31st March 2021
		Inflow	Outflow		
Non current borrowings (Including current maturities)	18,087.50	15,240.80	6,716.49	1,769.53	26,611.81
Current borrowings	1,999.08	1,472.58	1,999.08	-	1,472.58
Lease	680.20	-	65.09	49.46	664.57

The accompanying notes 1 to 38 are an integral part of the Special Purpose Combined Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

For and on behalf of the Board of Directors
Sustainable Energy Infra Investment Managers
Private Limited (Acting as Investment Manager
of Sustainable Energy Infra Trust)

Avinash Rao
Chief Executive Officer

Puneet Renjhen Debapratim Hazara
Director Director
DIN: 09498488 DIN: 09804007

Place : Mumbai
Date : 26th September 2023

Place : Mumbai Place : Singapore
Date : 26th September 2023

Sustainable Energy Infra Trust
(As defined in Note 1-Corporate Information)
Special Purpose Combined statement of changes in equity
All amounts in Rupees millions unless otherwise stated

A. Capital

i) For the year ended 31st March 2021

Balance as at 1st April 2020	Issue of capital during the year	Reduction of capital during the year	Balance as at 31st March 2021
3,264.41	-	-	3,264.41

ii) For the year ended 31st March 2022

Balance as at 1st April 2021	Issue of capital during the year *	Reduction of capital during the year **	Balance as at 31st March 2022
3,264.41	85.00	(46.61)	3,302.80

iii) For the year ended 31st March 2023

Balance as at 1st April 2022	Issue of capital during the year	Reduction of capital during the year	Balance as at 31st March 2023
3,302.80	-	-	3,302.80

* Issue of equity capital for Mega Suryaurja Private Limited

** Change in control from Joint Venture to a Wholly Owned Subsidiary- Bright Renewables Private Limited

B. Other Equity

Particulars	Reserves and Surplus			Total
	Securities premium	Merger Reserve	Retained Earnings	
As at 1st April 2020	490.92	132.09	(81.74)	541.27
Profit for the year	-	-	417.79	417.79
As at 31st March 2021	490.92	132.09	336.05	959.06
Profit for the year	-	-	645.40	645.40
Issue of shares by Mega Suryaurja Private Limited	765.00	-	-	765.00
Change in control from Joint Venture to a Wholly Owned Subsidiary- Bright Renewables Private Limited (Refer basis of combination)	(52.41)	-	-	(52.41)
As at 31st March 2022	1,203.51	132.09	981.45	2,317.05
Profit for the year	-	-	781.86	781.86
As at 31st March 2023	1,203.51	132.09	1,763.31	3,098.91

The accompanying notes 1 to 38 are an integral part of the Special Purpose Combined Financial Statements

In terms of our report attached
For Deloitte Haskins & Sells LLP
Chartered Accountants

Mehul Parekh
Partner

For and on behalf of the Board of Directors
Sustainable Energy Infra Investment Managers Private
Limited (Acting as Investment Manager of Sustainable
Energy Infra Trust)

Avinash Rao
Chief Executive Officer

Puneet Renjhen
Director
DIN: 09498488

Debapratim Hazara
Director
DIN: 09804007

Place : Mumbai
Date : 26th September 2023

Place : Mumbai Place : Singapore
Date : 26th September 2023

Sustainable Energy Infra Trust
Notes to Special Purpose Combined Financial Statements

1. Corporate information

Sustainable Energy Infra Trust (the "Trust") was set up on 11 August 2023, as a contributory irrevocable trust under the provision of the Indian Trusts Act, 1882. The Trust was registered as an infrastructure investment trust under the Securities Exchange Board of India ("SEBI") (Infrastructure Investment Trust) Regulations, 2014 as amended read together with circulars and guidelines issued thereunder (the "SEBI InvIT Regulations") on 11 August 2023, having registration number IN/InvIT/23-24/0027. The registered office address of the Trust is Mahindra Towers, Pandurang Budhkar Marg, Worli, Mumbai- 400018.

2726522 Ontario Limited and Mahindra Susten Private Limited are the Sponsors of the Trust.

The Trustee to the Trust is Axis Trustee Services Limited (the "Trustee"). Investment manager for the Trust is Sustainable Energy Infra Investment Managers Private Limited (the "Investment Manager").

The investment objective of the Trust is to carry on the activities of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations. The Trust has been formed to invest in infrastructure assets primarily being in the power sector in India. All the power projects of entities proposed to be included in the Proposed Trust Group are implemented and held through special purpose vehicles ("SPVs" together with the Trust referred as "Proposed Trust Group").

Sustainable Energy Infra Trust
Notes to Special Purpose Combined Financial Statements

The details of incorporation of the SPVs included in the Proposed Trust Group along with brief of principal activities and shareholding pattern of the SPVs are as given below:

Sr. No	Name of the SPV	Date of Incorporation	Principal activity	Proposed Shareholding by the trust	Nature of proposed Investment	Name of the Shareholders along with percentage of Shareholding as at 31 st March 2023
1.	Astra Solren Private Limited ("ASPL")	14 th October 2015	Sale of power	100%	Subsidiary	Megasolisis Renewables Private Limited (100%)
2.	Neo Solren Private Limited ("NSPL")	1 st July 2015	Sale of power	100%	Subsidiary	Megasolisis Renewables Private Limited (100%)
3.	Bright Renewables Private Limited ("BREPL")	3 rd December 2013	Sale of power	100%	Subsidiary	Megasolisis Renewables Private Limited (100%)
4.	Megasolisis Renewables Private Limited ("MRPL"), Formerly known as Mahindra Renewables Private Limited	26 th July 2010	Sale of power	100%	Subsidiary	Mahindra Susten Private Limited (100%)
5.	Megasuryaurja Private Limited ("MSUPL")	12 th January 2012	Sale of power	100%	Subsidiary	Mahindra Susten Private Limited (100%)
6.	Emergent Solren Private Limited ("ESPL")	9 th November 2022	Sale of power	100%	Subsidiary	Mahindra Holdings Limited (70%) and 2452911 Ontario Limited (30%)

Under the share purchase agreements proposed to be entered amongst the Sponsors, the Trustee, the Investment Manager, and the SPVs and their respective shareholders, the Trust shall acquire 100% of fully paid-up equity shares of the SPVs from their respective holders who shall be issued and allotted units of the Trust. Pursuant to the proposed acquisition of equity of the SPVs by the Trust, the SPVs are required to obtain No Objection Certificates/ Consent from the Lenders for the proposed transfer of shareholding of SPVs to the Trust. The SPVs and the Board of Directors of

Sustainable Energy Infra Trust
Notes to Special Purpose Combined Financial Statements

Investment Manager, acting on behalf of the Trust believes that the requisite approval will be received and the conditions, if any, mentioned in the approvals will be complied before the proposed acquisition of shareholding of SPVs by the Trust.

The special purpose combined financial statements of the Proposed Trust Group comprise of the financial information of the Trust and its proposed subsidiaries.

2. Basis of preparation, Measurement and Significant Accounting Policies

2.1 Purpose and Basis of preparation of the Special Purpose Combined Financial Statements.

The Special Purpose Combined Financial Statements of the Proposed Trust Group comprise the Combined Balance Sheets as at March 31, 2023, March 31, 2022 and March 31, 2021, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statements, the Combined Statements of Changes in Equity for the years ended March 31, 2023, March 31, 2022 and March 31, 2021, and a summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Special Purpose Combined Financial Statements").

The Special Purpose Combined Financial Statements of the Proposed Trust Group were approved by the Board of Directors of the Investment Manager and authorised for issuance by Investment Manager in their meeting held on 25th September 2023 authorized for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on 25th September 2023.

The Special Purpose Combined Financial Statements have been prepared in accordance with the Guidance Note on Reports in Company Prospectuses (Revised 2019), and the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India ("ICAI") (the "Guidance Notes") using the recognition and measurement principles of Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ("Ind AS"), as amended and other generally accepted accounting principles and other relevant provisions relating to disclosures requirement as per the SEBI InvIT Regulations.

The Special Purpose Combined Financial Statements have been prepared by applying consistent accounting policies mentioned in subsequent paragraphs.

The Special Purpose Combined Financial Statements have been prepared by the Investment manager to meet the requirements of the SEBI InvIT Regulations, for the purpose of inclusion in the Draft Placement Memorandum prepared by the Investment Manager in connection with the proposed issue of units by the InvIT on private placement basis to be listed on National Stock Exchange of India Limited. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the requirements of Schedule III notified under the Companies Act, 2013 are not applicable to these Special Purpose Combined Financial

Sustainable Energy Infra Trust
Notes to Special Purpose Combined Financial Statements

Statements and hence these financial statements are not prepared in accordance with those requirements.

In accordance with the requirements of the SEBI InvIT Regulations, since the Trust is newly set up on 11th August 2023 and has been in existence for a period lesser than three completed financial years, the Special Purpose Combined Financial Statements are prepared based on an assumption that all the SPVs were part of Trust for such period when the Trust was not in existence i.e. for the entire portion of the reporting period of three years i.e. years ended March 31, 2023, March 31, 2022 and March 31, 2021. However, the Special Purpose Combined Financial Statements may not be representative of the position which may prevail after the SPVs are transferred to the Trust.

These Special Purpose Combined Financial Statements have been prepared considering the underlying historical financial information of the SPVs in the Proposed Trust Group and not using the accounting principle required to be followed as per Ind AS 103 "Business Combination". However, the SPVs under the Proposed Trust Group will be accounted as per the requirements of Ind AS 103 "Business Combination" on the actual date of acquisition by the Trust on a future date. Accordingly, the Special Purpose Combined Financial Statements may not be representative of the actual financial position, financial performance including other comprehensive income, cash flows and changes in equity which may prevail after the SPVs under the Proposed Trust Group is acquired by the Trust.

The Special Purpose Combined Financial Statements are presented in India Rupees which is also the functional currency of the SPVs. All values are rounded to the nearest millions, unless otherwise indicated. These Special Purpose Combined Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value.

Basis of Combination

The Special Purpose Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year.

The procedure for preparing Combined Financial Statements of the Proposed Trust Group are stated below –

a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the SPVs.

b) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Proposed Trust Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets, are eliminated in full). Ind AS 12 "Income Taxes" applies to temporary

Sustainable Energy Infra Trust
Notes to Special Purpose Combined Financial Statements

differences that arise from the elimination of profits and losses resulting from intragroup transaction.

Name of the Entity	Date of incorporation	Element	Commercial operation of the date of element
ASPL	14-10-2015	ASPL (40MW)	30-04-2017
		ASPL (25 MW)	02-07-2017
NSPL	01-07-2015	NSPL	06-11-2017
BREPL*	03-12-2013	BREPL	05-01-2016
MSUPL	12-01-2012	MSUPL	17-06-2022
MRPL	26-07-2010	REWA	03-01-2020
		ISTS-1	29-10-2021
ESPL**	09-11-2022	SECI-RJ	14-10-2021
		Goyalari	30-04-2017

*BREPL was a joint venture between Megasolis Renewables Private Limited ("MRPL") and Trina Solar (Singapore) Third Pte Limited ("TSTPT"). During the financial year 2021-2022, MRPL acquired entire share of TSTPT and hence it became a fully owned subsidiary for MRPL from Financial year 2021-2022. For financial year 2020-2021, we have eliminated MRPL's share (51%) from Capital and Securities Premium and for financial year 2021-2022 Capital and Securities Premium have been eliminated upon line-by-line consolidation of BREPL.

****Allocation of Assets, Liabilities, Income and Expenses.**

Specific Assets, Liabilities, Income and Expenses for SECI plant and Goyalari plant from the Audited Financial Statements for FY 2020-2021, FY 2021-2022, and FY 2022-23 of Mahindra Susten Pvt Ltd which are specifically allocable to SECI plant and Goyalari Plant have been identified and allocated. Further, certain common expenses have been allocated to the SECI and Goyalari basis employee allocation percentage pre-determined as appropriate by the management.

Merger Reserve.

In the given scenario merger reserve is created on account of transfer of SECI plant and Goyalari plant to Emergent Solren Private Limited and amount adjusted on sale of 183Kw plant from Megasolis Renewables Private Limited and preparing carved out financial statements – the difference between the assets and liabilities in the opening balance sheet shall be parked as part of a Merger Reserve as it is not a free reserve and hence shall be presented separately from the other Reserves.

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Branch Accounting

Emergent Solren Private Limited has been treated as a Branch and Mahindra Susten Private Limited has been treated as Head office. All the transactions between Emergent Solren Private Limited and Mahindra Susten Private Limited have been accounted as per Branch Accounting and the resulting balances have been shown as Inter-company receivable and Inter-company payable in the respective year.

Current Tax and Deferred Tax Balances

For current tax and deferred tax we have treated Emergent Solren Private Limited as a separate legal entity and have calculated tax accordingly.

2.2 Significant Accounting Policies and Accounting Judgments and Estimates.

a) Use of estimates and judgments

In applying the Proposed Trust Group's accounting policies which are described in notes below, the directors are required to make judgements that have a significant impact on the amounts recognized and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The estimates and associated assumptions are based on historical experience and other factors that are relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment as at year ended 31st March 2023, 31st March 2022 and 31st March 2021 are as follows:

(i) Recoverability of deferred tax assets:

In determining the recoverability of deferred income tax assets, the Proposed Trust Group primarily considers the current and expected profitability of the company and their ability to utilise tax assets. The Proposed Trust Group reviews its deferred income tax assets at every reporting year end, taking into consideration the availability of sufficient current and projected taxable profits, reversals of taxable temporary differences and tax planning strategies.

(ii) Impairment losses on financial assets:

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The Proposed Trust Group reviews its financial assets to assess impairment at regular intervals. The Proposed Trust Group's credit risk is primarily attributable to its financial assets. In determining whether impairment losses should be recorded in the statement of profit and loss, the Proposed Trust Group makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows. Accordingly, an allowance for expected credit loss is made where there is an identified loss event or condition which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows.

As a practical expedient, the Proposed Trust Group uses the previous year's impairment loss as allowance on the portfolio of trade receivables. At the reporting date, the previous year observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) during the period is recognized as other expense in the Statement of Profit and Loss.

(iii) Estimation of provisions and contingencies:

Provisions are liabilities of uncertain amount or timing recognised where a legal or constructive obligation exists at the balance sheet date, as a result of a past event, where the amount of the obligation can be reliably estimated and where the outflow of economic benefit is probable. Contingent liabilities are possible obligations that may arise from past events whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events which are not fully within the control of the Proposed Trust Group. The Proposed Trust Group exercises judgement and estimates in recognizing the provisions and assessing the exposure to contingent liabilities relating to pending litigations. Judgement is necessary in assessing the likelihood of the success of the pending claim and to quantify the possible range of financial settlement. Due to this inherent uncertainty in the evaluation process, actual losses may be different from the originally estimated provision.

(iv) Useful lives of property, plant and equipment:

The useful lives of property, plant and equipment are reviewed at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets, and also their likely economic lives based on various internal and external factors including relative efficiency, the operating conditions of the asset, anticipated technological changes, historical trend of Capacity utilization factor (CUF), historical planned and scheduled maintenance. It is possible that the estimates made based on existing experience are different from the actual outcomes and could cause a material adjustment to the carrying amount of property, plant, and equipment.

b) Revenue Recognition:

Revenue is recognized when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Proposed Trust Group expects to be entitled in exchange for those goods or services. Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation by the Proposed Trust Group. The Proposed Trust Group assesses its

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revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Proposed Trust Group has concluded that it is acting as a principal in all of its revenue arrangements.

The accounting policies for the specific revenue streams of the Proposed Trust Group is:

i. Sales of Solar Power

Revenue is recognised over time for each period based on the volume of solar power supplied to the Customer as per the terms stated in the PPA at the metering point of the Customer.

ii. Interest Income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Proposed Trust Group and the amount of income can be measured reliably.

iii. Verified Carbon Unit (VCU)

The Proposed Trust Group accrues carbon emission reduction income in the period when it is reasonably certain that the Proposed Trust Group will be able to comply with the conditions necessary to obtain such carbon emission reduction.

iv. Proceeds under change in law:

As per term of power purchase agreement (PPA), the Proposed Trust Group has right to claim safeguard duty and GST under change in law clause. Such revenue is recognised over the tenure of the PPA once such claim is agreed by the customers and there is no uncertainty regarding ultimate collection of safeguard duty income.

v. Amortization of deferred income (Viability Gap Funding):

Government grants are recognized as a financial asset in the balance sheet as Viability Gap Funding ('VGF'). VGF is recognized as income over 25 years (i.e., useful life of the project). The grant received has a condition attached to it which specifies that if the project fails to generate any power continuously for 1 year anytime during the term of PPA, it will be treated as an event of default and termination. The SPV has fulfilled all the conditions as mentioned in the grant agreement.

c) Current and Non-current classification

The Schedule III to the Act requires assets and liabilities to be classified as either current or non-current. An asset is treated as current when it is either:

- (i) it is expected to be realised in, or is intended for sale or consumption in, the Proposed Trust Group's normal operating cycle; or
- (ii) it is expected to be realised within twelve months from the reporting date; or
- (iii) it is held primarily for the purposes of being traded; or
- (iv) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date

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All other assets are classified as non-current.

A liability is current when:

- (v) it is expected to be settled in the Proposed Trust Group's normal operating cycle; or
- or
- (vi) it is due to be settled within twelve months from the reporting date; or
- (vii) it is held primarily for the purposes of being traded; or
- (viii) the Proposed Trust Group does not have an unconditional right to defer settlement of the liability for at least twelve months from the reporting date.

The Proposed Trust Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets or liabilities.

Operating Cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Proposed Trust Group has identified twelve months as its operating cycle.

d) Property plant and equipment and Intangible Assets:

(i) Property plant and equipment:

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use and for qualifying assets, borrowing costs capitalised in accordance with Ind AS 23. All repair and maintenance costs are recognised in the Statement of Profit and Loss as incurred.

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated

Depreciation on other tangible assets is recognised so as to write off the cost of assets (other than freehold land and properties under construction) less their residual values (residual value is considered at 5% of the original cost of the assets) over their useful lives or as prescribed in schedule II to the Companies Act 2013 whichever is higher. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Type of assets	Useful life
Plant and equipment – freehold	25 Years

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The Proposed Trust Group recognises right-of-use assets (ROU) at the commencement date of the lease. Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, lease payments made at or before the commencement date less any lease incentives received and estimate of costs to dismantle. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Type of assets	Useful life
Land	25 Years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds (net of expenses incurred in connection with the sale) and the carrying amount of the asset and is recognised in the statement of profit or loss.

(ii) Capital work in progress and Capital advances:

Assets under construction include the cost of property, plant and equipment that are not ready to use at the balance sheet date. Advances paid to acquire property, plant and equipment before the balance sheet date are disclosed under other non-current assets. Assets under construction are not depreciated as these assets are not yet available for use.

(iii) Impairment:

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors or when the annual impairment testing of the asset is required. An impairment loss is recognised wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the Proposed Trust Group makes a reasonable estimate of the value in use.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

e) Borrowing Costs

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take

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a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

f) Foreign Currency:

Foreign currency transactions

Initial Recognition

The Proposed Trust Group's financial statements are presented in Indian Rupee, which is also the Proposed Trust Group's functional currency. All transactions that are not denominated in the Proposed Trust Group's functional currency are foreign currency transactions. These transactions are initially recorded in the functional currency by applying the appropriate daily rate which best approximates the actual rate of the transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Measurement of foreign currency items at the reporting date

Monetary items denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Nonmonetary items that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in the statement of profit and loss.

Foreign operations.

The assets and liabilities of foreign operations (branches) are translated into INR, the functional currency of the Proposed Trust Group, at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into INR at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

g) Fair value measurement

The Proposed Trust Group measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ⋄ In the principal market for the asset or liability, or
- ⋄ In the absence of a principal market, in the most advantageous market for the asset or liability

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The principal or the most advantageous market must be accessible by the Proposed Trust Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Proposed Trust Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Proposed Trust Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

h) Derivative financial instruments

The Proposed Trust Group holds derivative financial instruments such as foreign currency forward to mitigate the risk of changes in exchange rate on foreign currency exposure. The counterparty for these contracts is generally a Bank or a Financial Institution. These derivative financial instruments are valued based on quoted prices for similar asset and liabilities in active markets or inputs that is directly or indirectly observable in the marketplace.

i) Investments

Investments in subsidiary

Investments in equity shares of subsidiaries are recorded at cost and reviewed for impairment at each reporting date. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amounts are recognised in Statement of Profit and Loss.

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Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the standalone statement of profit and loss. The cost of investments include acquisition charges such as brokerage, fees and duties.

Investment in joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining whether significant influence or joint control are similar to those necessary to determine control over the subsidiaries.

j) Taxes on Income:

Income tax comprises current and deferred tax. Income taxes are recognised in the statement of profit and loss except to the extent that it relates to a business combination or to an item recognised directly in equity or in other comprehensive income. As per the Proposed Trust Group's assessment, there are no material uncertainties over income tax treatments.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using applicable tax rates (and tax laws) enacted or substantially enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

Minimum Alternative Tax ('MAT')

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the standalone statement of profit and loss. The credit available under the Act in respect of MAT paid is recognised as a deferred tax asset only when and to the extent there is convincing evidence that the Proposed Trust Group will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an deferred tax asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

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Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting and tax reporting purposes and the corresponding amounts used for tax base. Deferred tax is also recognised in respect of carried forward tax losses and the carry forward of unused tax credits.

Deferred tax is not recognised for:

- temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss at the time of the transaction;
- temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Proposed Trust Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Proposed Trust Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the year/period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Proposed Trust Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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 on the same taxable entity for the assessment year, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

k) Provisions and Contingent Liabilities:

A provision is recognised if, as a result of a past event, the Proposed Trust Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present

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obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not require an outflow of resources embodying economic benefits or the amount of such obligation cannot be measured reliably. When there is a possible obligation or a present obligation in respect of which likelihood of outflow of resources embodying economic benefits is remote, no provision or disclosure is made.

A contingent asset is disclosed where an inflow of economic benefits is probable.

l) Financial Assets and Financial Liabilities:

Financial assets and financial liabilities are recognised when the Proposed Trust Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

(i) Financial assets

All financial assets by regular way of purchases or sales are recognised and derecognised on a trade date basis. Regular way of purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured at either amortised cost or fair value, depending on the classification of the financial assets

Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Effective interest method

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The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

Financial assets at fair value through profit or loss (FVTPL)

Investments in debt / equity instruments are classified as at FVTPL, unless the Proposed Trust Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Proposed Trust Group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

The Proposed Trust Group applies the expected credit loss (ECL) model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

The Proposed Trust Group follows 'simplified approach' for recognition of impairment loss allowance on Trade Receivable.

The application of simplified approach does not require the Proposed Trust Group to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Proposed Trust 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 recognising impairment loss allowance based on 12-month ECL.

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Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date. Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights for each category of receivable. Credit loss is the difference between all contractual cash flows that are due to the Proposed Trust Group in accordance with the contract/agreement and all the cash flows that the Proposed Trust Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Proposed Trust Group estimates cash flows by considering all contractual/agreed terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument. As a practical expedient, the Proposed Trust Group uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss (P&L). The balance sheet presentation for various financial instruments is described below.

- Financial assets measured at amortised cost, contractual revenue receivables and lease receivables, ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Proposed Trust Group does not reduce impairment allowance from the gross carrying amount.
- Loan contract & financial guarantee contract, ECL is presented as a provision in the balance sheet, i.e as a liability.

For assessing increase in credit risk and impairment loss, the Proposed Trust Group combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

Derecognition of financial assets

The Proposed Trust Group derecognises a financial asset when the contractual rights to the cash flow from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of that financial asset to another party.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss, if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

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(ii) Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

Derecognition of financial liabilities

The Proposed Trust Group derecognises financial liabilities when, and only when, the Proposed Trust Group's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new

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financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and/or payable is recognised in profit or loss.

Derivative financial instruments

The Proposed Trust Group enters into a derivative financial instrument to manage its exposure to foreign exchange rate risks through foreign exchange forward contracts.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedging relationship and the nature of the hedged item.

m) Cash and Cash Equivalents

Cash and cash equivalents for the purpose of Cash Flow Statements include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

n) Earnings Per Unit

The number of units that the trust will issue to investor is not presently ascertainable. Hence the disclosures in respect of Earnings per unit is not given.

o) Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted with the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

p) Leases

The Proposed Trust Group evaluates if an arrangement qualifies to be a lease as per the requirements of Ind AS 116. The Proposed Trust Group also uses significant judgement in assessing the lease term (including anticipated renewals) and the applicable discount rate. The Proposed Trust Group determines the lease term as the non-cancellable period of a lease, together with both periods covered by an option to extend or terminate the lease if the Proposed Trust Group is reasonably certain based on relevant facts and circumstances that the option to extend or terminate will be exercised. If there is a change in facts and circumstances, the expected lease term is revised accordingly. The discount rate is generally based on the interest rate specific to the lease being evaluated or if that cannot be easily determined the incremental borrowing rate for a similar term is used. The Proposed Trust Group has not recognised right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Proposed Trust Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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Notes to Special Purpose Combined Financial Statements

As a lessee

The Proposed Trust Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and restoration cost, less any lease incentives received. The right-of-use assets are subsequently depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. In addition, the right-of-use asset is reduced by impairment losses, if any. The lease liability is initially measured at amortised cost at the present value of the future lease payments. When a lease liability is remeasured, the corresponding adjustment of the lease liability is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

s) Recent Accounting Pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standards or amendments under Companies (Indian Accounting Standards) Rules as issued from time to time. On 31st March, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from 1st April, 2023, as below:

Ind AS 1 | Presentation of Financial Statements – The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements.

Ind AS 12 | Income Taxes – The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the Initial recognition exemption of Ind AS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. Accordingly, companies will need to recognise a deferred tax asset and a deferred tax liability for temporary differences arising on transactions such as initial recognition of a lease and a decommissioning provision.

Ind AS 8 | Accounting Policies, Changes in Accounting Estimates and Errors – The definition of a "change in accounting estimates" has been replaced with a definition of "accounting estimates". Accounting estimates are defined as "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.

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3- Property, plant and equipment ("PPE")

Description of Assets	Land - Freehold	Plant and Equipment	Total
At cost			
Gross Carrying Amount			
As at 1st April 2020	989.17	23,652.82	24,641.99
Additions during the year	339.45	-	339.45
Other Adjustments during the year (Refer note 4)	-	(42.17)	(42.17)
As at 31st March 2021	1,328.62	23,610.65	24,939.27
Additions during the year	608.24	19,114.34	19,722.58
Disposal during the year	-	-	-
As at 31st March 2022	1,936.86	42,724.99	44,661.85
Additions during the year	270.20	12,810.55	13,080.75
Impairment loss	-	(4.21)	(4.21)
As at 31st March 2023	2,207.06	55,531.33	57,738.39
Accumulated depreciation			
As at 1st April 2020	-	2,270.66	2,270.66
Depreciation expense for the year	-	1,249.79	1,249.79
As at 31st March 2021	-	3,520.45	3,520.45
Depreciation expense for the year	-	1,320.54	1,320.54
As at 31st March 2022	-	4,840.99	4,840.99
Depreciation expense for the year	-	1,992.13	1,992.13
Impairment loss	-	(1.37)	(1.37)
As at 31st March 2023	-	6,831.75	6,831.75
Net carrying amount			
As at March 31,2021	1,328.62	20,090.20	21,418.82
As at March 31,2022	1,936.86	37,884.00	39,820.86
As at March 31,2023	2,207.06	48,699.58	50,906.64

Note:

(1) Freehold land and plant and equipments have been hypothecated against the borrowings. (Refer Note No. 10 Non Current Borrowings).

(2) The title deeds of immovable properties included in Property, plant and equipment are held in name of their respective SPV.

(3) Method of Depreciation:-

Depreciation on plant and equipment is provided at the rate as well as methodology notified by the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2017 for FY 2021, During FY 2022, the SPV has reassessed the balance useful lives, residual values and the manner in which the economic benefit is being derived from property, plant and equipment.

The effect of changes in estimates of useful lives, residual values and pattern of consumption of economic benefits of property, plant and equipment is as follows:

Financial Year	(Decrease)/Increase in depreciation expenses
2021-22	(400.14)
2022-23	(400.14)
2023-24	(400.14)
2024-25	(400.14)
2025-26	(400.14)
Later Years	3,181.09

(4) During FY 2020-2021, NSPL has received refund claim of VAT for establishing solar power project, from the Government of Telangana amounting to Rs. 42.17 Million. NSPL had earlier capitalized the entire amount of VAT in PPE. During FY 2020-2021 when the refund was received the same was reduced from the Gross Block of PPE.

(5) Impairment loss amounting to Rs 2.83 Million is recognized for BREPL due to wear and tear of plant modules.

Sustainable Energy Infra Trust
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3A- Right of use asset

Right of use asset	Land
Gross Carrying Amount	
As at 1st April 2020	1,259.62
Additions	-
As at 31st March 2021	1,259.62
Additions	-
As at 31st March 2022	1,259.62
Additions	-
As at 31st March 2023	1,259.62
Accumulated amortisation	
As at 1st April 2020	4.45
Charge for the year	49.01
As at 31st March 2021	53.46
Charge for the year	49.04
As at 31st March 2022	102.50
Charge for the year	49.04
As at 31st March 2023	151.54
Net carrying amount	
As at 31st March, 2021	1,206.16
As at 31st March, 2022	1,157.12
As at 31st March, 2023	1,108.08

3C- Lease Liability

Particulars	Current	Non-Current
Lease Liabilities		
As at 31st March, 2021	16.82	647.75
As at 31st March, 2022	19.27	628.48
As at 31st March, 2023	20.63	609.02

A) SPV has entered into operating lease agreement. The contracts for land used in its operations is for 25 years. Details of amount recognised in statement of profit and loss:

Amounts recognised in combined statement of profit and loss	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Amortisation expense on right-of-use assets	49.04	49.04	49.01
Interest expense on lease liabilities	46.99	48.27	49.46
Total	96.03	97.31	98.47

B) The following table set outs maturity analysis of lease liability to be paid after the reporting date:

Maturity Analysis	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Less than 1 year	20.63	19.27	16.82
1 year - 3 years	45.75	42.72	37.57
3 years - 5 years	52.52	49.02	43.49
5 years and above	510.75	536.74	566.69

C) The total cash outflow of leases for FY 2023, FY 2022 and FY 2021 is Rs. 65.09 Million respectively

D) Below are the carrying amount of lease liabilities and the movement during the year

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Opening	647.75	664.57	680.20
Interest unwinding on lease liability	46.99	48.27	49.46
Payments	65.09	65.09	65.09
Closing	629.65	647.75	664.57

Sustainable Energy Infra Trust

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3B- Capital work in progress

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Capital work in progress ("CWIP")	-	11,765.64	12,799.94

CWIP Ageing Schedule

CWIP	< 1 year	1-2 years	2-3 years	> 3 years	Total
Project in progress					
As at 31st March, 2021	11,746.03	1,043.80	10.11	-	12,799.94
As at 31st March, 2022	11,710.80	54.84	-	-	11,765.64
As at 31st March, 2023	-	-	-	-	-

Notes:

- 1) There are no CWIP assets where completion was overdue against original planned timelines or where estimated cost exceeded its original planned cost during the reporting period.
- 2) There has been no temporary suspension of any activity during the reporting period.
- 3) CWIP has been hypothecated against the borrowings. (Refer Note No. 10 Non current borrowings).

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4 - Other financial assets

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Current	Non-Current	Current	Non-Current	Current	Non-Current
Financial assets at amortised cost						
a) Security Deposits	0.30	15.90	0.30	14.84	1.29	64.45
b) Interest accrued on deposits	36.24	-	5.95	1.08	3.13	0.53
c) Unbilled Revenue	626.22	-	545.59	-	315.06	-
d) Earmarked balances with banks-For debt Service Reserve Agreement	-	1,169.59	-	454.22	-	439.32
e) Earmarked balances with banks-For insurance account	-	1.98	-	1.98	-	1.98
f) Safeguard duty and GST recoverable (Refer note 34)	208.19	1,122.20	80.16	1,230.42	-	-
g) Fixed deposit with balance maturity of more than 12 months	-	193.59	-	-	-	-
h) Derivative not designated as a hedge instrument	102.48	-	-	-	-	-
Total	973.43	2,503.26	632.00	1,702.54	319.48	506.28

Note:

1) All the other financial assets have been hypothecated against the borrowings (Refer Note no. 10- Non Current Borrowings).

Particulars	4A - Income tax assets (net)	
	As at 31st March 2023	As at 31st March 2021
Advance Tax & TDS Receivable [Net of provision for tax Rs. 25.07 million (as at 31st March, 2022: Rs.3.60 million, as at 31st March, 2021: Rs. 3.60 million)]	47.79	45.02
Total	47.79	45.02

Particulars	4B - Current tax liability (net)	
	As at 31st March 2023	As at 31st March 2021
Current tax liability [Net of advance tax of Rs. 72.17 million (as at 31st March, 2022: 29.93 million, as at 31st March, 2021: 9.79 million)]	39.83	46.00
Total	39.83	46.00

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6 - Other assets

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Current	Non- Current	Current	Non- Current	Current	Non- Current
(a) Capital advances	-	38.16	-	228.56	-	230.20
(b) Advances other than capital advances:						
(i) Advances to vendors	0.03	-	0.19	-	-	-
(c) Balances with government authorities	0.09	0.04	0.09	0.04	0.09	0.04
(d) Other advances						
- Prepaid Expenses	22.80	-	16.11	-	116.41	-
Total	22.92	38.20	16.39	228.60	116.50	230.24

Note:

(1) All the other assets have been hypothecated against the borrowings (Refer Note no. 10- Non Current Borrowings).

2- Trade Receivables

(As defined in Note 1-Corporate Information)
Notes to special purpose combined financial statements
All amounts in Rupees millions unless otherwise stated

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Trade receivables	811.27	1,150.43	763.22
Undisputed Trade receivables - considered good	3.98	-	-
Undisputed Trade receivables - which has significant increase in credit risk	(3.98)	-	-
Undisputed Trade receivables - credit impaired	-	-	-
Total	811.27	1,150.43	763.22

Particulars	Outstanding as at 31st March 2023 from due date of payment					Outstanding as at 31st March 2022 from due date of payment					Outstanding as at 31st March 2021 from due date of payment												
	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total	Not Due	Less than 6 months	6 Months - 1 year	1-2 Years	2-3 Years	More than 3 Years	Total		
Trade receivables	113.59	341.93	181.72	174.03	-	811.27	103.49	500.15	310.51	116.14	120.14	-	-	1,150.43	136.95	451.38	71.54	103.35	-	-	-	763.22	
(a) Secured, considered good	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Undisputed Trade receivables - considered good	-	-	-	3.98	-	3.98	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(b) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	(3.98)	-	(3.98)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(c) Undisputed Trade receivables - credit impaired	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	113.59	341.93	181.72	174.03	-	811.27	103.49	500.15	310.51	116.14	120.14	-	-	1,150.43	136.95	451.38	71.54	103.35	-	-	-	763.22	

8- Cash and Bank Balances

Note:
1) The credit period given to customers range from 30 days to 90 days.
2) All trade receivables have been hypothesized against the borrowings (Refer Note no. 10- Non-Current Borrowings).
3) Refer note no 21- financial instruments- for disclosures related to credit risk, allowance for trade receivables, under expected credit, lost model and other disclosure.

8- Cash and Bank Balances

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Cash and cash equivalents			
a) Balances with banks	223.70	776.78	644.03
b) Fixed deposits with original maturity of less than 3 months	1,346.32	1,242.23	811.03
Total	1,570.02	2,019.01	1,455.06
Other Bank Balances			
a) Fixed deposits with original maturity of greater than 3 months but less than 12 months	945.00	410.10	160.10
Total	945.00	480.10	160.10

Note:
All the cash and cash equivalents and other bank balances have been hypothesized against the borrowings. (Refer Note no. 10- Non-Current Borrowings)

Sustainable Energy Infra Trust
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9A-Capital*

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	No. of Shares	Value of shares	No. of Shares	Value of shares	No. of Shares	Value of shares
Authorised:						
Equity shares of Rs 10 each	910.00	9100.00	910.00	9100.00	405.05	4050.50
Issued, Subscribed and Fully Paid up:						
Equity shares of Rs. 10 each	330.28	3302.80	330.28	3302.80	326.45	3264.41
Total	330.28	3302.80	330.28	3302.80	326.45	3264.41

* The equity share capital of the Proposed trust group is line by line aggregate of the authorised share capital and paid up share capital of each of the SPV's. It does not represent legal share capital of the Proposed trust group.

9B-Other Equity

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Securities Premium			
Balance at the beginning of the year	1203.51	490.92	490.92
Addition during the year	-	765.00	-
Elimination during the year	-	(52.41)	-
Closing balance	1203.51	1203.51	490.92
Merger Reserve			
Balance at the beginning of the year	132.09	132.09	132.09
Addition during the year	-	-	-
Closing balance	132.09	132.09	132.09
Retained Earnings			
Balance at the beginning of the year	981.45	336.05	(81.74)
Addition during the year	781.86	645.40	417.79
Closing balance	1763.31	981.45	336.05

Note:

Securities premium

Securities premium is used to record the excess of the amount received over the face value of the shares. This reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Merger reserve

Merger reserve is generated on account of difference in carrying value of assets and liabilities of certain solar power projects pertaining to SPV's included in the Special purpose combined financial statements refer note no 2.1. for details. This reserve is not a free reserve.

Retained earnings

Retained earnings comprise balances of accumulated profit and loss.

Sustainable Energy Infra Trust

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All amounts in Rupees millions unless otherwise stated

10 - Non-Current Borrowings

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Measured at amortised cost			
A. Secured Borrowings:			
(a) Term Loan	29,280.75	21,962.26	17,798.77
Less: Current Maturity of Long Term Debt	(1,781.80)	(999.26)	(671.84)
	27,498.95	20,963.00	17,126.93
(b) Buyers Credit	8,824.08	12,016.53	4,621.06
Total	36,323.03	32,979.53	21,747.99
B. Unsecured Borrowings:			
(a) Subordinated debt from related party	7,303.76	7,314.69	4,191.99
Total Unsecured Borrowings	7,303.76	7,314.69	4,191.99
Total	43,626.79	40,294.22	25,939.98

11 - Current Borrowings

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Secured Borrowings			
Current maturities of long term borrowings	1,781.80	999.26	671.84
Bills payable to bank	-	-	1,472.58
Total	1,781.80	999.26	2,144.42

1. Secured borrowings (including current maturities of long term debt)

Name of the SPV	Name of the Lender	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
ASPL	Housing Development Finance Corporation Bank (Term loan)	2,875.69	2,730.60	2,576.51	<p>1. The SPV is engaged in the business of operating (a) 40MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the "Project 1") and 25MW AC solar power project at Charanka Solar Park, Gujarat (hereinafter referred to as the "Project 2") (Project 1 and Project 2 are hereinafter collectively referred to as the "Project");</p> <p>2. The term loan from HDFC bank is repayable in 60 quarterly structured installment starting from June 2020 and ending on March 2035.</p> <p>3. The loan amount is secured by:</p> <p>a) First charge on all present and future tangible / Intangible moveable assets, current assets including receivables.</p> <p>b) First charge on all present and future immovable properties, both freehold and leasehold.</p> <p>c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.</p> <p>d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in :</p> <p>i) Project agreements</p> <p>ii) the clearances subject to applicable law</p> <p>iii) any letter of credit, guarantee, performance bond, corporate guarantee, bank guarantees or warranty provided by any party.</p> <p>iv) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the SPV.</p> <p>4. The SPV have to maintain a debt service reserve account with a minimum balance equal to total amount of schedule interest fees and principal due within next quarter.</p> <p>5. The interest rate for the term loan for FY 2021 was 8.15%, FY 2022 was 8.10% and 9.05% for FY 2023.</p> <p>6. Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital and non disposal undertaking for 2.1% of paid up equity share capital.</p>

Name of the SPV	Name of the Lender	Amount of loan (in Millions)		Security and repayment terms
		FY 2021	FY 2022	
NSPL	Yes Bank (Term loan)	1,180.41	1,077.90	<p>1. Neo Solren Private Limited ("Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 42 MW AC/49.92 MW DC Solar PV Power Project at Wadkotihapally, Kodkandla Mandal, Warangal District, in the State of Telangana, India ("Project") and has successfully achieved COD on 06th November, 2017.</p> <p>2. To finance part of the cost of the Project, Lenders have financed rupee term loans aggregating to Rs. 2,688 million from Yes Bank, on the term and conditions of the common loan agreement dated December 29, 2016 ("Common Loan Agreement"). The subsequently Yes Bank has down sold their part exposure amounting to Rs. 1000 Million to Tata cleantech(TCCL).</p> <p>3. The tenure of the Borrowings is 19 years, with repayment starting from March-2018 to last repayment date being September-2035 (quarterly Installments).</p> <p>4. The loan amount is secured by:</p> <p>(a) First charge on all present and future tangible / intangible moveable assets, current assets including receivables.</p> <p>(b) First charge on all present and future immovable properties, both freehold and leasehold.</p> <p>(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.</p> <p>(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:</p> <p>i) Project agreements</p> <p>ii) the clearances subject to applicable law.</p> <p>iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees.</p> <p>(e) Assignment of insurance policies relating to the project, right, titles, permits/approvals. Clearances and interests to the SPV.</p> <p>(f) Short fall undertaking from sponsor for funding time/cost overruns.</p> <p>5. The SPV have to maintain a debt service reserve account with a minimum balance equal to total amount of schedule interest fees and principal due within next quarter.</p> <p>6. The interest rate for the term loans for FY 2021 was 9.24% to 10.10%, FY 2022 was 8.85% to 9.24% and 9.25% for FY 2023.</p> <p>7. Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.</p> <p>8. Non disposal undertaking from Mahindra Susten Private Limited for its 5.1% shareholding in Mahindra Renewables Private Limited.</p>
	Tata Cleantech capital fund(Term loan)	861.00	864.00	

Name of the SPV	Name of the Lender	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
BREPL	Kotak infrastructure debt fund(Term loan)	506.66	232.26	204.39	<p>(1) The loan availed from financial institution is repayable in 51 monthly structured installment starting from September 2019 and ending on March 2032. During the year SPV has prepaid loan amounting Rs 250 Million.</p> <p>(2) The loan amount is secured by:</p> <p>(a) First charge on all present and future tangible moveable assets, intangible assets, current assets including receivables.</p> <p>(b) First charge on all present and future immovable properties.</p> <p>(c) First charge on all the borrowers bank accounts including Escrow account and any other reserve and other bank accounts.</p> <p>(d) First charge on all the rights, title interest, benefits, claims and demands whatsoever of the borrower in:</p> <p>i) Project agreements</p> <p>ii) the clearances subject to applicable law</p> <p>iii) any letter of credit, guarantee, performance bond ,corporate guarantee, bank guarantees or warranty provided by any party.</p> <p>(e) Assignment of insurance policies relating to the project, right, titles,permits/approvals. Clearances and interests to the SPV.</p> <p>3. The SPV have to maintain a debt service reserve account with a minimum balance equal to total amount of schedule interest fees and principal due within next quarter.</p> <p>4. Pledge of shares held by shareholders in the borrower representing 30% of the total paid up equity share capital.</p> <p>5.The interest rate for the term loan for FY 2021 was 10.55%, FY 2022 was 7.90% and 9.20% for FY 2023.</p> <p>6. Non disposal undertaking from Mahindra Susten Private Limited for its 51% shareholding in Mahindra Renewables Private Limited.</p>

Name of the SPV	Name of the Lender	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
MRPL	International finance corporation(Term loan)	1,899.71	1,854.20	1,798.86	<p>1. Mahindra Renewables Private Limited ("SPV/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Unit 1 of Rewa Ultra Mega Solar Park ("RUMS") located at Badwar Village, Tehsil – Gurh, Dist-Rewa, State-Madhya Pradesh, India (the "REWA- Project"). The entire electricity generated from REWA Project will be supplied to MP Power Management SPV Limited ("MPPMCL") and Delhi Metro Rail Corporation Limited (DMRC) in accordance with the Power Purchase Agreement (PPAs) executed amongst SPV, DMRC, Rewa Ultra Mega Solar Limited (RUMSL) and MPPMCL.</p> <p>2. To part finance the REWA-Project, the SPV has availed Rs. denominated ECB aggregating upto Rs. 2,000 Million from International Finance Corporation ("IFC") and Rupee Term Loan aggregating upto Rs. 7,277.50 Million from Yes Bank Limited. Subsequently Yes Bank Limited has down sold their exposure of Rs. 3,000.00 Million to Aditya Birla Finance Limited and Rs. 4,277.50 Million to HDFC Bank Limited and subsequently HDFC Bank has down sold their part exposure of Rs. 2,000.00 Million to Bank of Maharashtra.</p> <p>3. The door to door loan tenor is 20 years and applicable ROI for domestic loan is 1-year MCLR + Spread and applicable ROI for IFC loan is three-year rupee fixed base rate + Spread. The IFC loan will be repaid in 73 structured quarterly installment starting from 15th October 2019 and Domestic lenders loan will be repaid in 73 structured quarterly installment starting from 31 December 2019.</p> <p>4. The REWA Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:</p> <p>i. first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future.</p> <p>ii. a first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents.</p> <p>iii. first ranking pari passu pledge over 51% equity shares in the SPV to secure the obligation pertaining to the both the facilities (i.e. Rewa-MP and SECI-ISTS-1-RJ Project), collectively.</p>
	Aditya Birla Finance Limited	2,838.73	2,754.70	2,591.77	
	Housing Development Finance Corporation Bank (Term loan)-ISTS	750.00	2,120.61	2,046.48	

Name of the SPV	Name of the Lender	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
MRPL	Housing Development Finance Corporation Bank (Term loan)-REWA	2,131.26	2,071.23	1,948.90	<p>5. Mahindra Renewables Private Limited ("SPV/Borrower") is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at Village Bhiyji ka gaon, Tehsil Baap, District Jodhpur, Rajasthan, India (the "SECI-ISTS-1- Project"). The entire electricity generated from SECI-ISTS-1- Project will be supplied to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst SPV and SECI.</p> <p>6. To part finance of the project of SECI-ISTS-1- Project, the SPV has availed sanctioned of Term Loan aggregating upto Rs. 4,000.00 Millions from Indusind Bank Limited, Rs. 2,500.00 Million from HDFC Bank Limited and Rs. 2,500.00 Million from Axis Bank Limited.</p> <p>7. The HDFC and Indusind Bank, door to door loan tenor is 19.25 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and repayment over 75 quarterly instalments (last repayment on 31st March 2040) and Axis Bank door to door loan tenor is 15 years and applicable ROI for RTL is 1-year MCLR of respective lenders + Spread and 52 structured quarterly instalments starting from quarter ending September 2021 with a bullet payment of 38.40% in last quarter i.e. June 2034.</p> <p>8 The SECI-ISTS-1- Project loans obligations has been secured in favour of the Security Trustee acting for the benefit of the Senior Lenders until Final Settlement Date:</p> <p>i. a first ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future;</p> <p>ii first ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents</p> <p>iii. first ranking pari passu pledge over 51% equity shares in the SPV to secure the obligation pertaining to the both the facilities (i.e. Rewa-MP and SECI-ISTS-1-RJ Project), collectively.</p> <p>iv first ranking pari passu pledge over all CCD's forming part of the Sponsor Subordinated Debt till the Final Settlement Date.</p> <p>v. Assignment by way of security of all Insurance Contracts and Insurance Proceeds.</p> <p>9. The interest rate for term loans for FY 2021 was 8.35% to 9.60%, FY 2022 was 7.45% to 8.90% and for FY 2023 was 7.45% to 9.10%. For buyers credit the interest rate for FY 2021 was 0.30% to 0.54%, for FY 2022 was 0.65% to 0.89% and for FY 2023 was 3.02% to 5.16%</p>
	Axis Bank(Term loan)	500.00	398.64	2,139.42	
	Indusind Bank(Term loan)		726.63	1,022.42	
	Bank of Maharashtra(Term loan)	1,914.00	1,855.72	1,745.11	
Buyers credit-Axis Bank		1,942.45			
Buyers credit-Indusind Bank		3,004.97	2,798.18		

Name of the SPV	Name of the Lender	Amount of loan (in Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
ESPL	Housing Development Finance Corporation Bank(Term loan)-Goyalari	2,341.31	2,218.42	2,040.71	1. The term loan for Goyalari project is secured by creation of charge over the assets of 60 Mwp power plant situated in Goyalari (Rajasthan). The rate of interest for term loan ranges from 7.35-9.10 for FY 23, 7.35-7.40 for FY 22 and FY 21.
	Housing Development Finance Corporation Bank(Term loan)- SECI	-	657.99	2,665.93	2. The term loan for SECI project is secured by creation of charge over the assets of 200 Mwp power plant situated in Bikaner (Rajasthan).
	Axis Bank(Term loan)-SECI	-	977.24	1,588.74	
	Buyers credit-Axis Bank	-	2,330.33	1,759.99	
	Buyers credit-Housing Development Finance Corporation Bank	1,567.53	2,328.11	240.54	3. The interest rate for the term loans for FY 2021 was 7.35%, FY 2022 was 7.40% to 9.10% and 7.40% to 9.10% for FY 2023. The interest rate for buyers credit for all the three years was 3.92% to 4.70%

Name of the SPV	Name of the Lender	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
MSUPL	Housing Development Finance Corporation Bank(Term loan)	-	943.36	1,164.94	<p>1. MEGA SURYAURJA PRIVATE LIMITED, (as the Borrower) is in the business of development, designing, construction, financing, commissioning, operation and maintenance of a 250 MW AC Solar Photovoltaic (PV) Power Plant at village Daddu Ka Gaon & Seora, Tehsil Kolarat, District Bikaner, in the state of Rajasthan, India (the "ISTS-2 Project"). The entire electricity generated from ISTS-2 Project will be supplying to Solar Energy Corporation of India Limited ("SECI") in accordance with the Power Purchase Agreement (PPA) executed amongst SPV and SECI.</p> <p>2. To part finance of the project of ISTS-2- Project, the SPV has availed sanctioned of Term Loan aggregating upto Rs. 6,400 Million from HDFC Bank Limited and Rs. 3,000 Million from Axis Bank Limited.</p> <p>3. The Borrower shall repay the Loans to the Lenders in 52 (fifty two) & 78 (seventy eight) structured quarterly instalments, starting from December 31, 2022 with last repayment on 30th September 2036 & on 31st March 2042) consisting bullet payment of 34.38% of availed loan amount. ROI for RTL is 1-year MCLR + spread.</p> <p>4. The ISTS-2 Project loans obligations has been secured with following securities of Borrower and charges has been created in favour of the Security Trustee acting for the benefit of the all Lenders until Final Settlement Date :</p> <p>i) First ranking pari passu mortgage on the entire immovable properties (both leasehold and freehold) of the Borrower, pertaining to the Project, both present and future.</p> <p>ii) First ranking pari passu charge by way of hypothecation/ mortgage on the entire movable properties of the Borrower, pertaining to the Project, both present and future, including movable plant and machinery, current assets, DSRA, intangible assets and all other movable properties and all the rights, title, interest, benefits, claims and demands whatsoever of the Borrower in project documents.</p> <p>iii) Charge and equitable assignment by way of power of attorney over all Subordinate Loans extended by Promoter to Borrower, and over NCDs/compulsory convertible debentures/optionally convertible debentures (as applicable) of Borrower subscribed to by Promoter (subject to Applicable Laws);</p> <p>iv) Assignment by way of security of all Insurance Contracts and Insurance Proceeds and project documents.</p> <p>5. The interest rate for the term loans for FY 2022 was 8.65% and 8.40% to 10.00% for FY 2023. The interest rate for buyers credit for FY 2022 was 1.20% to 1.75% and FY 2023 was 2.85% to 5.87%</p>
	Bank of Maharashtra(Term loan)	-	-	504.69	
	Axis Bank(Term loan)	-	478.76	2,912.26	
	Federal Bank(Term loan)	-	-	504.84	
	Buyers credit- Housing Development Finance Corporation Bank	-	604.54	4,025.37	
Buyers credit- Axis Bank	-	1,806.12	-		

2. Unsecured borrowings					
Name of the SPV	Name of the related party	Amount of loan (In Millions)			Security and repayment terms
		FY 2021	FY 2022	FY 2023	
NSPL	Mahindra Susten Private Limited	226.00	232.50	316.99	The SPV has taken unsecured loan from Mahindra Susten Private Limited at 11.00 % p.a repayable in 5 years from date of drawdown of each tranche.
BREPL	Mahindra Susten Private Limited	108.90	445.60	250.00	The SPV has taken long term unsecured loan from Mahindra Susten Private Limited of Rs. 250 million for repayment of its borrowing from KIDF. It is availed at actual interest in KIDF loan +100 bps i.e. at 10.20% p.a and repayable in 20 years from date of drawdown of each tranche. Also SPV has taken unsecured loan at 11%.
MRPL	Mahindra Susten Private Limited	3,842.67	3,749.17	3,599.35	The SPV has availed an Subordinated debt from Mahindra Susten private limited aggregating amounting upto Rs. 3,749.17 million as on March 2022 ; wherein Rs. 1,442.60 million as part of promoter contribution for Rewa project, Rs. 2,306.57 million as part of promoter contribution for SECI-ISTS 1. During the year the SPV has repaid subordinate debt of Rs. 149.82 million relating to Rewa project post which the outstanding amount is Rs. 1,292.78 million. The rate of interest for all three years is 11.50%
MSUPL	Mahindra Susten Private Limited	14.42	2,887.42	3,137.42	The SPV has availed during the year sub-debt of Rs. 2,500 lakhs from Mahindra Susten Private Limited aggregating upto Rs. 3,137.42 million as part of promoter contribution for the ISTS 2 project. The rate of interest for all three years is 11.50%

3. Current borrowings				
Name of the SPV	Name of the related lender	Amount of loan (In Millions)		Security and repayment terms
		FY 2021	FY 2023	
MRPL	Axis Bank	1,472.58	-	The bills payable was repaid during FY 2022.

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12 - Trade Payables

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Trade payable	142.20	79.72	68.72
Total Trade Payables- Ageing schedule			

Particulars	Outstanding as at 31st March 2023 from due date of payment					Outstanding as at 31st March 2022 from due date of payment					Outstanding as at 31st March 2021 from due date of payment				
	Not due	1-2 Years	2-3 Years	More than 3 Years	Total	Not due	1-2 Years	2-3 Years	More than 3 Years	Total	Not due	1-2 Years	2-3 Years	More than 3 Years	Total
Trade Payable	142.20	-	-	-	142.20	76.93	0.27	0.57	1.95	79.72	65.98	0.61	-	2.13	68.72
Total	142.20	-	-	-	142.20	76.93	0.27	0.57	1.95	79.72	65.98	0.61	-	2.13	68.72

Notes:

(1) Trade Payables are payables in respect of the amount due on account of goods purchased or services received in the normal course of business.

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13 - Other financial liabilities

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
Other financial liabilities measured at amortised cost			
Non-Current			
a. Interest accrued borrowings	413.45	445.92	685.50
Total	413.45	445.92	685.50
Current			
a. Creditors for capital goods	38.03	5,732.74	2,567.24
b. Interest accrued but not due on borrowings	1,025.61	731.84	117.99
c. Intra Company Payable	1,781.42	1,704.12	1,368.46
Other financial liabilities measured at fair value			
a. Derivative not designated as a hedge instrument	-	159.82	45.36
Total	2,845.06	8,328.52	4,099.05

14 - Other liabilities

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	Current	Non Current	Current	Non Current	Current	Non Current
a. Statutory dues	24.34	-	36.97	-	17.52	-
b. Viability Gap Funding (VGF) (Refer note no.33)	17.99	334.68	26.32	344.34	26.32	370.66
c. Safe guard duty (SGD) liability and GST liability (Refer note no.34)	75.71	1,577.00	52.38	1,143.33	-	-
d. Deferred Liability - Multi Circuit Tower (Refer note no.35)	-	33.60	-	35.00	-	-
Total	118.04	1,945.28	115.67	1,522.67	43.84	370.66

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Notes to special purpose combined financial statements

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15 - Revenue from Operations

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Sale of solar power	7,138.95	4,711.71	3,265.94
(b) Income from Verified Carbon Units	78.09	380.34	-
(c) Proceeds due to change in law			
(i) Safeguard Duty Income	52.36	113.32	-
(ii) GST refund income	73.79	-	-
Total	7,343.19	5,205.37	3,265.94

A. Disaggregated Revenue Information:

The SPV's revenue is from only one segment i.e Sale of Power

B. Reconciliation of Contract Assets & Contract Liabilities:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Contract Assets			
Unbilled Revenue			
At the beginning of the year	545.59	315.06	254.27
Less: Billed during the year	7,058.32	4,481.18	3,205.15
Add: Revenue recognised during the year	7,138.95	4,711.71	3,265.94
At the end of the year (Refer note 4)	626.22	545.59	315.06
Contract Liability	-	-	-

C. Reconciliation of revenue as per Ind AS 115:

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Revenue as per contracted prices	7,138.95	4,711.71	3,265.94
Less: Adjustment	-	-	-
Revenue from contract with customers	7,138.95	4,711.71	3,265.94

16- Other Income

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Interest Income			
On financial assets at amortised cost	135.96	47.44	56.09
On income tax refund	0.94	0.29	0.12
On safeguard duty receivable	125.52	53.70	-
	262.42	101.43	56.21
(b) Amortization of deferred income (VGF)	19.39	26.32	26.32
(c) Insurance proceeds	7.42	-	-
(d) Provision on bad debts written back	15.34	-	-
(e) Liabilities no longer required written back	2.29	-	-
Total	306.86	127.75	82.53

16A - Exceptional Income

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Profit on sale of Investment (Divine Solren Pvt Ltd)	-	-	484.28
Total	-	-	484.28

Note: During the financial year 2020-21, the Proposed trust group disposed of 100% of its interest in Divine Solren Private Limited (DSPL) to CLP India Private Limited.

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Notes to special purpose combined financial statements

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17- Employee benefits expense

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Salaries and wages, including bonus	19.93	8.39	4.29
(b) Contribution to provident and other funds	0.85	0.40	0.25
(c) Share based payment transactions expenses	-	-	-
(c) Staff welfare expenses	0.15	0.10	0.06
Total	20.93	8.89	4.60

18 - Finance Cost

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Interest expense	3,417.35	2,233.68	1,819.03
Less Amounts included in the cost of qualifying assets	-	-	-
Bank charges	22.13	22.26	0.37
(c) Finance charges	-	-	-
(c) Other borrowing costs	5.49	-	4.07
(d) Interest on lease liability	46.99	48.27	49.46
(f) Unwinding of discount on provisions	-	-	-
(f) Interest expense on loan from related party	-	-	-
(e) Unwinding of discount on financial asset	-	50.60	-
(f) Net loss / (gain) on foreign currency transactions net off Derivative gain/loss	-	-	-
Total	3,491.96	2,354.81	1,872.93

19- Depreciation and Amortisation

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
(a) Depreciation on Property, plant and equipment	1,992.13	1,320.54	1,249.79
(b) Amortisation of Right-in-use assets	49.04	49.04	49.01
Total	2,041.17	1,369.58	1,298.80

Sustainable Energy Infra Trust

(As defined in Note 1-Corporate Information)

Notes to special purpose combined financial statements**All amounts in Rupees millions unless otherwise stated****20 - Other Expenses**

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022	For the year ended 31st March 2021
Operation and maintenance charges	201.28	127.22	111.24
Comprehensive charges	64.32	77.10	61.87
Legal and other professional services	84.37	63.69	45.94
Registration and documentation charges	2.05	0.59	2.48
Insurance	114.04	71.68	31.43
Repairs and maintenance - others	138.46	110.53	70.55
Rebate	56.88	15.44	9.30
Travelling and conveyance expenses	0.56	0.29	-
SLDC (State Load Despatch Centre) charges	3.82	4.91	1.09
QCA (Qualified Coordinating Agency) fees	38.08	5.76	0.15
Power charges	6.62	5.04	5.87
Corporate social responsibility expenses	2.33	1.00	0.55
Provision for doubtful debts	-	19.32	-
Net loss on foreign currency translation	351.18	239.02	8.99
Loss on impairment of assets	2.83	-	-
Statutory charges	50.58	7.15	-
Miscellaneous expenses	33.01	40.38	13.62
Total	1,150.41	789.12	363.08

Notes:

1. Comprehensive charges includes charges for activities and services including the construction of internal evacuation infrastructure, administration charges and local area development charges at project site at Rewa, Madhya Pradesh state.

Sustainable Energy Infra Trust
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21 - Financial Instruments

A) Capital management

The Proposed trust group manages capital risk in order to maximize shareholders' profit by maintaining sound/optimal capital structure through monitoring of financial ratios, such as debt-to-equity ratio and net borrowings-to-equity ratio on a monthly basis and implements capital structure improvement plan when necessary. There is no change in the overall capital risk management strategy of the Proposed trust group compared to last year.

The Proposed trust group uses debt ratio as a capital management index and calculates the ratio as total liabilities divided by total equity. Total liabilities and total equity are based on the amounts stated in the separate financial statements.

The Proposed trust group is not subject to externally enforced capital regulation.

Debt-to-equity ratio as of 31 March 2021

	31-Mar-23	31-Mar-22	31-Mar-21
Debts including accrued interest	46,847.64	42,471.24	26,887.89
Less: Cash & cash equivalents and Bank balances other than cash and cash equivalents	3,879.17	2,910.41	2,056.44
Net Debt (A)	42,968.47	39,560.83	26,831.45
Equity (B)	6,401.71	5,619.85	4,223.47
Net Debt to Equity Ratio (A / B)	6.71	7.04	6.35

B) Financial instruments by category:

Fair value hierarchy:

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are

(a) recognised and measured at fair value and

(b) 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 Group has classified its financial instruments into three levels prescribed under the accounting standard.

Particulars	As at 31st March 2023		As at 31st March 2022		As at 31st March 2021	
	FVTPL	At amortised cost	FVTPL	At amortised cost	FVTPL	At amortised cost
Financial assets						
Derivative Financial Assets	102.48		-			
Trade receivable		811.27		1,150.43		763.22
Cash and bank balance		1,569.02		2,024.11		1,455.04
Other bank balance		945.00		430.10		160.10
Other financial assets		3,374.20		2,334.54		825.76
Total Financial assets	102.48	6,699.49	-	5,939.18	-	3,204.12
Financial liabilities						
Derivative Financial Liabilities	-		159.82			45.36
At amortised cost						
Lease liabilities		629.65		647.76		664.57
Borrowings		45,408.59		41,293.48		28,084.39
Trade payables		142.20		79.73		68.72
Other financial liabilities		3,258.51		8,614.62		4,739.20
Total Financial liabilities	-	49,438.95	159.82	50,635.59	45.36	33,556.88

Financial assets and liabilities measured at fair value

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	Level	Valuation techniques and key inputs
Financial assets					
Derivative Financial Assets	102.48				3 The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.
Financial liabilities					
Derivative Financial Liabilities		159.82	45.36	3	The fair value of forward foreign exchange contracts is determined using forward exchange rates at the balance sheet date.

Fair value of financial assets and liabilities measured at amortised cost :

The carrying amounts of trade receivables, unbilled revenue, trade payables, cash and cash equivalents, other financial assets, current borrowings and other financial liabilities (which are not disclosed below) are considered to be the same as their fair values, due to their short term nature.

Particulars	As at 31st March, 2023	As at 31st March, 2022	As at 31st March, 2021	Level	Valuation techniques and key inputs
Financial assets					
Other financial assets	2,503.26	1,702.54	506.28	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Financial liabilities					
Borrowings	45,408.59	41,293.48	26,611.82	3	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable
Lease liabilities	629.65	647.76	664.57	3	
Other financial Liability	413.45	445.92	685.50	3	

C) Financial Risk Management Framework

The Proposed trust group's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk. In order to manage the aforementioned risks, the Proposed trust group operates a risk management policy and a program that performs close monitoring of and responding to each risk factors.

CREDIT RISK

(i) Credit risk management

Credit risk arises when a counterparty defaults on its contractual obligations to pay resulting in financial loss to the Proposed trust group. The Proposed trust group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Proposed trust group uses other publicly available financial information and its own trading records to rate its major customers. The Proposed trust group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

The credit risk on liquid funds and derivative financial instruments is limited because the counterparties are banks with high credit-ratings assigned by international credit-agencies.

The Proposed trust group applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables.

There is no change in estimation techniques or significant assumptions during the reporting period.

All SPV's applies the simplified approach to providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all trade receivables. The loss allowance provision is determined as follows:

Particulars	Not due	Less than 6 months	More than 6 months	Total
Gross carrying amount	113.59	341.93	359.73	815.25
Loss allowance provision			(3.98)	(3.98)
Net	113.59	341.93	355.75	811.27

LIQUIDITY RISK

(i) Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the management of the Proposed trust group, which has established an appropriate liquidity risk management framework for the management of the Proposed trust group's short-, medium- and long-term funding and liquidity management requirements. The Proposed trust group manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

(ii) Maturities of financial liabilities

The following tables detail the Proposed trust group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment years. The amount disclosed in the tables have been drawn up basis the earliest date on which the proposed trust group can be required to pay the financial liabilities (excluding interest).

Maturities of financial liabilities

As at March 2023

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
Non-derivative financial liabilities				
Lease Liabilities	20.63	45.75	52.52	510.75
Trade Payable	142.20	-	-	-
Interest accrued but not due	1,025.61	413.45	-	-
Creditors for capital supplies	38.03	-	-	-
Intra Company Payable	1,781.42	-	-	-
Borrowings	1,781.80	11,083.49	4,159.01	28,384.29
	4,789.69	11,542.69	4,211.53	28,895.04

Maturities of financial liabilities

As at March 2022

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 Years and above
Non-derivative financial liabilities				
Lease Liabilities	19.27	42.72	49.02	536.74
Trade Payable	79.73	-	-	-
Interest accrued but not due	731.84	445.92	-	-
Creditors for capital supplies	5,732.74	-	-	-
Intra Company Payable	1,704.12	-	-	-
Borrowings	999.26	10,418.17	2,778.86	27,097.19
Derivative financial liabilities				
Foreign exchange forward contracts	159.82	-	-	-
	9,426.78	10,906.81	2,827.88	27,633.93

Maturities of financial liabilities
As at March 2021

Particulars	Less than 1 Year	1-3 Years	3 Years to 5 Years	5 years and above
Non-derivative financial liabilities				
Lease liabilities	19.27	42.72	49.02	566.68
Trade Payable	68.72	-	-	-
Interest accrued but not due	117.99	685.50	-	-
Creditors for capital supplies	2,567.24	-	-	-
Bills payable due to Bank	1,472.58	-	-	-
Intra Company Payable	1,368.46	-	-	-
Borrowings	2,144.42	5,443.22	2,805.16	17,691.61
Derivative financial liabilities	45.36	-	-	-
Foreign exchange forward contracts	7,804.04	6,171.44	2,854.18	18,258.29

MARKET RISK

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk such as equity. There has been no significant changes to the Proposed trust group's exposure to market risk or the methods in which they are managed or measured.

The Proposed trust group has a policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk.

Currency Risk

The Proposed trust group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Proposed trust group's / Proposed trust group's exposure to currency risk relates primarily to the Proposed trust group's operating activities and borrowings when transactions are denominated in a different currency from the Proposed trust group's functional currency.

The Proposed trust group manages its foreign currency risk by hedging transactions that are expected to occur within a maximum 12 month year for hedges of forecasted sales and purchases and for 36 months year for borrowings. When a derivative is entered into for the purpose of being a hedge, the Proposed trust group negotiates the terms of those derivatives to match the terms of the hedged exposure. For hedges of forecast transactions the derivatives cover the year of exposure from the point the cash flows of the transactions are forecasted up to the point of settlement of the resulting receivable or payable that is denominated in the foreign currency.

The carrying amounts of the Proposed trust group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

Particulars	Currency	31 March 2023	31 March 2022	31 March 2021
Trade Payables	USD	-	4,207.89	1,288.46
Secured Bank Loans	USD	8,980.58	12,028.36	4,945.87
Interest on secured bank loans	USD	64.46	16.82	-
Trade Payables	EUR	-	0.49	-

The Forward exchange contracts entered into by the Proposed trust group and outstanding are as under:

Particulars	No of Contracts	Type	US\$ In Millions	INR In Millions	MTM gain/(loss)
31 March 2023	66	Buy	109.56	9,045.04	102.49
31 March 2022	119	Buy	199.54	16,254.60	(159.82)
31 March 2021	81	Buy	152.31	11,403.53	10.29

Of the above foreign currency exposures, the following exposures are not hedged by a derivative:

Particulars	Currency	31 March 2023	31 March 2022	31 March 2021
Trade Payables	USD	-	2.07	-
Trade Payables	EUR	-	0.49	32.57
Secured Bank Loans	USD	0.39	-	-

Foreign Currency Sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in USD exchange rates, with all other variables held constant. The impact on all the SPV's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. All the SPV's exposure to foreign currency changes for all other currencies is not material.

Particulars	Total		
	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-23	USD	+100	-0.00
	USD	-100	0.00
	EUR	+100	-
31-Mar-22	EUR	-100	-
	USD	+100	(0.02)
	USD	-100	0.02
31-Mar-21	EUR	+100	(0.00)
	EUR	-100	0.00
	EUR	+100	(0.33)
Interest rate risk	EUR	-100	0.33
	USD	+100	-
	USD	-100	-

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Proposed trust group's exposure to the risk of changes in market interest rates relates to the Proposed trust group's policy of investing surplus cash balances in short term liquid debt funds which are subject to minimum market risk. The Proposed trust group manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. To manage this, the Proposed trust group enters into interest rate swaps, in which it agrees to exchange, at specified intervals, the difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

Interest rate sensitivity

The sensitivity analyses below have been determined based on exposure to interest rate for both derivative and non-derivative instruments at the end of reporting year. For floating rate liabilities, analysis is prepared assuming the amount of liability outstanding at the end of the reporting year was outstanding for the whole year. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Proposed trust group's profit before tax is affected through the impact on floating rate borrowings, as follows:

Particulars	Total		
	Currency	Increase / decrease in basis points	Effect on profit before tax
31-Mar-23	INR	+100	(292.81)
		-100	292.81
31-Mar-22	INR	+100	(219.62)
		-100	219.62
31-Mar-21	INR	+100	(177.99)
		-100	177.99

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years.

Sustainable Energy Infra Trust
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All amounts in Rupees millions unless otherwise stated

23 - Earnings per unit

The number of units that the Trust will issue to investor is not presently ascertainable. Hence the disclosures in respect of Earnings per unit is not given.

24- Contingent liabilities and commitments

Particulars	As at 31st March 2023	As at 31st March 2022	As at 31st March 2021
a) Claims against the SPV's not acknowledged as debt	161.61	38.69	38.69
b) Income tax disputed demands	0.58	0.58	0.58
c) Estimated amount of contracts remaining to be executed on capital account and not provided for (Net of Advances)	-	1,090.40	2,584.76

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25 A- Statement of Net assets of fair value as at 31st March 2023

Sr.No	Particulars	Book value	Fair value
A	Assets	58,963.04	75,738.00
B	Liabilities (at book value)	52,561.33	52,561.33
C	Net assets (A-B)	6,401.71	23,176.67

Notes:

1. The number of units that Sustainable Energy Infra Trust will issue is not presently ascertainable. Hence, the disclosures in respect of Net Asset Value (NAV) per Unit have not been given

2. Project wise breakup of fair value of assets as at 31st March 2023

Particulars	Fair value
Astra Solren Private Limited ("ASPL")	5,157.00
Neo Solren Private Limited ("NSPL")	3,336.00
Brightsolar Renewable Energy Private Limited ("BREPL")	1,063.00
Megosolisis Renewables Private Limited-REWA	17,262.00
Megosolisis Renewables Private Limited-ISTS 01	15,712.00
Emergent Solren Private Limited-SECI	12,867.00
Emergent Solren Private Limited-Goyalari	4,579.00
Mega Surya Urja Private Limited ("MSUPL")	15,763.00

3. Fair value of total assets (including project wise breakup for ASPL, NSPL, BREPL, ISTS-I, Rewa, SECI, Goyalari & MSUPL) as at March 31, 2023 as disclosed above are based solely on the fair valuation report dated 26th September 2023 of the independent valuer appointed by the investment manager under the InvIT regulations.

25 B- Statement of total return at fair value as at March 31,2023

Sr.No	Particulars	Year ended 31st March 2023
A	Total Comprehensive Income (As per the Statement of Profit and Loss)	781.86
B	Add/(less): Other Changes in Fair Value not recognized in total comprehensive income (refer note 1 below)	7,345.14
C	Total return	8,127.00

Notes:

1. In the above statement, Other changes in fair value (after tax) for the year ended March 31, 2023 has been computed based on the fair values of total assets as at March 31, 2023 and March 31, 2022. The fair value of total assets as at March 31, 2023 and March 31, 2022 are based solely on the valuation report dated 26th September 2023 of the independent valuer appointed by the Investment manager under the InvIT Regulations.

Sustainable Energy Infra Trust

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All amounts in Rupees millions unless otherwise stated

Disclosures as required by SEBI Circular no. CIR/IMD/DF/114/2016 dated October 20,2016

26-Capitalisation statement

Particulars	Pre issue as at March 31, 2023	As adjusted for issue*
Total debt (A)	45,408.59	
Total equity of SPV group		
Equity capital	3,302.80	
Securities premium	1203.51	
Retained earnings	1763.31	
Merger Reserve	132.09	
Total equity of Proposed trust group (B)	6,401.71	
Debt equity ratio [A/(A+B)]	0.88	

*Corresponding details post initial issue are not available as of now, hence the required disclosures in respect of the same have not been provided in the above table.

27-Project Wise Operating Cash Flows

Projects	31st March 2023	31st March 2022	31st March 2021
Astra Solren Pvt Ltd ("ASPL")	491.87	497.49	524.10
Neo Solren Pvt Ltd ("NSPL")	531.07	96.86	555.08
Brightsolar Renewable Energy Private Limited ("BREPL")	212.86	8.26	18.51
REWA	2,030.40	1,423.49	1,035.22
ISTS-01	1,368.21	1,123.06	-
SECI	1,113.14	602.85	1,277.24
Goyalari	486.87	681.85	612.74
Mega Surya Urja Pvt Ltd ("MSUPL")	806.07	119.48	(0.30)

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All amounts in Rupees millions unless otherwise stated

Disclosures as required by SEBI Circular no. CIR/IMD/D/114/2016 dated October 20, 2016

29- Debt payment history

Particulars	ASPL		NSPL		BREPIL		REWA		IST5-01		Goyalji		SECI		MSUPL		Total	
	31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21		31-Mar-21	
	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings
Carrying amount of debt at the beginning of the year	3,018.10	-	2,239.76	276.00	58.00	514.87	67,954.54	3,074.36	1,999.08	60.06	2,000.70	-	-	-	16,666.55	3,420.02	-	-
Additional borrowings during the year	10.64	-	585.62	-	49.90	-	4,157.21	507.60	5,775.12	3,648.10	396.25	-	-	-	12,493.37	4,200.02	-	-
Repayments during the year	(151.05)	-	(783.97)	-	(78.21)	-	(2,170.05)	(2,039.96)	(1,999.08)	(1,408.10)	(135.14)	-	-	-	(5,267.50)	(3,448.06)	-	-
Other adjustments	2,875.69	-	2,041.41	216.00	506.66	-	8,783.70	1,543.60	5,775.12	2,300.06	2,344.31	-	-	-	23,892.42	4,191.58	-	-
Carrying amount of debt at the end of the year	(265.66)	-	(222.81)	-	(55.42)	-	(815.92)	(92.61)	(111.95)	(56.73)	(248.79)	-	-	-	(14,620.19)	(469.34)	-	-

Particulars	ASPL		NSPL		BREPIL		REWA		IST5-01		Goyalji		SECI		MSUPL		Total	
	31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22		31-Mar-22	
	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings
Carrying amount of debt at the beginning of the year	2,875.69	-	2,041.41	216.00	58.06	514.87	87,837.70	1,341.60	5,775.12	2,300.06	2,344.31	-	-	-	23,892.42	4,191.58	-	-
Additional borrowings during the year	(145.08)	-	(99.51)	6.50	403.70	-	70.00	7,463.11	6.50	-	-	-	-	-	3,511.16	3,359.70	-	-
Repayments during the year	2,730.61	-	1,941.90	232.50	(67.00)	-	(247.85)	(170.00)	(5,945.81)	(122.04)	-	-	-	-	(78.38)	(227.00)	-	-
Other adjustments	(213.35)	-	(198.80)	(45.70)	(45.70)	-	(867.40)	(258.36)	(8,103.32)	2,306.56	2,219.27	-	-	-	3,832.76	2,887.42	-	-
Carrying amount of debt at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments (cash outflow)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Particulars	ASPL		NSPL		BREPIL		REWA		IST5-01		Goyalji		SECI		MSUPL		Total	
	31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23		31-Mar-23	
	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings	Secured Borrowings	Unsecured Borrowings
Carrying amount of debt at the beginning of the year	2,730.61	-	1,941.90	232.50	45.86	232.26	8,535.83	1,442.60	8,193.32	2,306.56	2,219.27	-	-	-	3,832.76	3,359.70	-	-
Additional borrowings during the year	(154.09)	-	(117.12)	84.50	11.00	-	3.89	10,823.14	10,823.14	-	-	-	-	-	14,450.01	290.00	-	-
Repayments during the year	2,576.52	-	1,824.78	317.00	(206.60)	-	(453.23)	(143.25)	(11,009.95)	(178.57)	-	-	-	-	(9,170.20)	(45,745.33)	-	-
Other adjustments	(225.98)	-	(160.60)	(83.14)	(83.25)	-	(897.38)	(602.98)	(8,006.51)	2,306.56	2,040.70	-	-	-	9,112.09	3,137.42	-	-
Carrying amount of debt at the end of the year	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest Payments (cash outflow)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

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28- Related Party Disclosure

I. List of related parties as per the requirements of Ind AS-24-Related party disclosure

Ultimate Joint Venturer of the SPV's	Mahindra & Mahindra Limited (Ultimate Holding Company till 21st December 2022) Ontario Teacher's Pension Plan Board (w.e.f. 22nd December 2022)
Joint Venturer of the SPV's	Mahindra Holdings Limited (Ultimate Holding Company till 21st December 2022) 2452991 ONTARIO LIMITED (w.e.f. 22nd December 2022)
Immediate Holding Company of the SPV's	Mahindra Susten Private Limited
SPV	1. Megasolis Renewables Private Limited ('MRPL') Formerly Known as Mahindra Renewables Private Limited 2. Astra Solren Private Limited ('ASPL') 3. Neo Solren Private Limited ('NSPL') 4. Mega Suryaerja Private Limited ('MSUPL') 5. Brightsolar Renewables Private Limited (Wholly Owned Subsidiary w.e.f. 19th July 2021) ('BREPL') 6. Emergent Solren Private Limited ('ESPL')
Joint Venture Group Company	1. Mahindra Teqo Private Limited (Fellow subsidiary till 15th December 2022)
Key Managerial Persons (KMP) of SPV's	Managing Director: 1. Deepak Thakur (w.e.f. 15th August, 2022) (Additional executive director from 22nd April'22 to 15th August 2022) 2. Basant Jain (Upto 15th August, 2022) Non Executive Director: 1. Parag Shah (Upto 22nd April 2022) 2. Ramesh Iyer (Chairman w.e.f. 22nd March 2023) 3. Amit Raje (upto 22nd April 2022) 4. Manoj Bhat (w.e.f. 28th July, 2021) 5. Amit Kumar Sinha (w.e.f. 28th July, 2021) 6. Ami Goda(ceased (w.e.f. 22th December 2022) 7. Zhooben Bhiwandiwala (upto 22nd March, 2022) 8. Chandrasekar Kandasamy (upto 28th July, 2021) 9. Ranjan Pant (upto 24th September, 2021) 10. Sriram Ramachandran (upto 28th July, 2021) 11. Nora Bhatia (upto 28th July, 2021) 12. Debapratim Hajara (w.e.f. 22nd December 2022) 13. Bruce Ross Crane (w.e.f. 22nd December 2022) 14. Puneet Renjhen (w.e.f. 22nd April 2022) Independent Director 1. Anup Shah (from 1st November, 2022 to 25th February 2023) 2. Anjali Gupta (w.e.f. 25th February, 2023) 3. Diwakar Gupta

II. List of related parties as per InVIT regulations

(a) Parties to the InVIT

Mahindra Susten Private Limited	Sponsor
2726522 Ontario Limited	Sponsor
Green Energy Infra Project Managers Private Limited	Project Manager
Sustainable Energy Infra Investment Managers Private Limited	Investment Manager
Axis Trustee Services Limited	Trustee

(b) Promoters, Directors and Partners of the persons mentioned in clause (a)

Particulars	2726522 Ontario Limited Sponsor	Mahindra Susten Private Limited Sponsor	Green Energy Infra Project Managers Private Limited Project Manager	Sustainable Energy Infra Investment Managers Private Limited Investment Manager	Axis Trustee Services Limited
Promoters	Ontario Teachers' Pension Plan Board	Mahindra & Mahindra Limited	2726522 Ontario Limited (60%)	2726522 Ontario Limited (60%)	Axis Bank Limited
			Mahindra Sustainable Energy Private Limited (40%)	Mahindra Sustainable Energy Private Limited (40%)	
Directors	Bruce Ross Crane	Ramesh Iyer	Bharat Goenka	Priya Subbaraman	Deepa Rath
		Manoj Bhat	Debapratim Hajara	Sadashiv S. Rao	Rajesh Kumar Dahiya
		Amit Kumar Sinha	Bruce Ross Crane	Sumit Dayal	Ganesh Sankaran
		Puneet Renjhen		Bruce Ross Crane	
		Deepak Thakur		Debapratim Hajara	
		Anjali Gupta		Puneet Renjhen	
		Diwakar Gupta			
		Debapratim Hajara			
		Bruce Crane			

III. Related Party Transactions:- Astra Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Receiving of services	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.09	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	0.20	0.28	0.25
	Immediate holding company of the SPV	Mahindra Susten Private Limited	1.61	1.49	1.67
	Fellow subsidiary	Mahindra Teqo Private Limited	18.34	21.91	22.99
	Joint Venture Group Company	Mahindra Teqo Private Limited	6.11	-	-

IV. Related Party Balances- Astra Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Trade Payable	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra limited	0.01	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	0.05	-	-
	Joint Venture Group Company	Mahindra Teqo Private Limited	2.36	-	-
	Fellow subsidiary	Mahindra Teqo Private Limited	-	-	2.05

III. Related Party Transactions:- Neo Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Receiving of services	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.17	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	0.12	0.17	0.15
	Immediate holding company of the SPV	Mahindra Susten Private Limited	1.85	1.76	1.67
	Fellow subsidiary	Mahindra Teqo Private Limited	11.32	14.37	13.68
	Joint Venture Group Company	Mahindra Teqo Private Limited	4.44	-	-
Availment of EPC services for Capital project	Immediate holding company of the SPV	Mahindra Susten Private Limited	20.00	15.00	-
Interest paid on ICD	Immediate holding company of the SPV	Mahindra Susten Private Limited	33.19	24.86	24.86
Inter Corporate Deposit Taken	Immediate holding company of the SPV	Mahindra Susten Private Limited	84.49	6.50	-

IV. Related Party Balances- Neo Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Trade Payable	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	-	0.04	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	17.40	-
	Fellow subsidiary	Mahindra Teqo Private Limited	-	1.39	1.32
	Joint Venture Group Company	Mahindra Teqo Private Limited	1.46	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	69.50	72.77	50.40
Inter corporate deposit payable	Immediate holding company of the SPV	Mahindra Susten Private Limited	316.99	232.50	226.00

III. Related Party Transactions:- Bright Renewables Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Receiving of services	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.14	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	0.13	0.27	0.38
	Fellow subsidiary	Mahindra Teqo Private Limited	1.32	4.92	4.61
	Joint Venture Group Company	Mahindra Teqo Private Limited	3.97	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	0.34	0.33	0.31
Interest paid on loan	Immediate holding company of the SPV	Mahindra Susten Private Limited	36.74	22.09	7.67
Loan taken	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	250.00	-
Inter Corporate Deposit Taken	Immediate holding company of the SPV	Mahindra Susten Private Limited	11.00	108.70	49.90
Inter Corporate Deposit Repaid	Immediate holding company of the SPV	Mahindra Susten Private Limited	206.60	22.00	-

IV. Related Party Balances- Bright Renewables Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Trade Payable	Fellow subsidiary	Mahindra Teqo Private Limited	-	4.39	4.67
	Joint Venture Group Company	Mahindra Teqo Private Limited	0.51	-	-
Interest Payable on loan & inter corporate deposit	Immediate holding company of the SPV	Mahindra Susten Private Limited	11.07	17.25	10.39
Loan Outstanding	Immediate holding company of the SPV	Mahindra Susten Private Limited	250.00	250.00	-
Inter Corporate Deposit Payable	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	195.60	108.90

Party Transactions:- Megapolis Renewables Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Receiving of services	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.29	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	0.23	0.44	0.53
	Fellow subsidiary	Mahindra Teqo Private Limited	82.85	90.80	58.00
	Joint Venture Group Company	Mahindra Teqo Private Limited	28.79	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	8.63	7.12	3.80
Sale of Solar power	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	1.21	1.91	1.97
	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.43	-	-
Cost of goods purchased	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	23.16	107.86
Purchase of Property, plant and equipment	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	556.36	2,714.30
Reimbursement on behalf of company	Immediate holding company of the SPV	Mahindra Susten Private Limited	1.61	-	-
Subordinated debts received	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	6.50	2,747.60
Subordinated debts paid	Immediate holding company of the SPV	Mahindra Susten Private Limited	149.82	100.00	1,480.00
Inter corporate deposit received	Immediate holding company of the SPV	Mahindra Susten Private Limited	3.93	70.00	1,408.10
Inter corporate deposit repaid	Immediate holding company of the SPV	Mahindra Susten Private Limited	3.93	70.00	1,068.06
Interest expense on subordinated debts	Immediate holding company of the SPV	Mahindra Susten Private Limited	429.69	303.64	191.50
Interest expense on inter corporate deposit	Immediate holding company of the SPV	Mahindra Susten Private Limited	0.01	2.11	-

IV. Related Party Balances- Megapolis Renewables Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Trade payables	Fellow subsidiary	Mahindra Teqo Private Limited	-	0.03	5.24
	Joint Venture Group Company	Mahindra Teqo Private Limited	10.88	-	-
Trade receivables	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.43	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	-	0.40
Interest payable on subordinated debts	Immediate holding company of the SPV	Mahindra Susten Private Limited	603.53	819.79	685.50
Subordinate debt payable	Immediate holding company of the SPV	Mahindra Susten Private Limited	3,599.35	3,749.17	3,842.67
Creditor for capital supplies	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	-	839.45

III. Related Party Transactions:- Mega Suryaurja Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Receiving of services	Ultimate Joint Venturer of the SPV's	Mahindra and Mahindra Limited	0.16	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	0.12	0.17	0.15
	Fellow subsidiary	Mahindra Teqo Private Limited	13.85	-	-
	Joint Venture Group Company	Mahindra Teqo Private Limited	10.47	-	-
	Immediate holding company of the SPV	Mahindra Susten Private Limited	3.60	-	-
Availment of EPC services for capital project	Immediate holding company of the SPV	Mahindra Susten Private Limited	688.70	3,408.90	17.02
Advances given for capital project	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	417.00	-
Interest on loan	Immediate holding company of the SPV	Mahindra Susten Private Limited	302.60	-	-
Issue of equity	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	850.00	-
Subordinate received	Immediate holding company of the SPV	Mahindra Susten Private Limited	250.00	2,873.00	14.42

IV. Related Party Balances- Mega Suryaurja Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Trade Payable	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	1,294.42	-
	Joint Venture Group Company	Mahindra Teqo Private Limited	4.05	-	-
	Ultimate Parent of the SPV's	Mahindra and Mahindra Limited	-	-	0.04
Advance outstanding for capital projects	Immediate holding company of the SPV	Mahindra Susten Private Limited	-	47.15	51.03
Interest on loan payable	Immediate holding company of the SPV	Mahindra Susten Private Limited	413.45	92.48	0.32
Subordinate debt outstanding	Immediate holding company of the SPV	Mahindra Susten Private Limited	3,137.42	2,887.42	14.42

III. Related Party Transactions:- Emergent Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Intra Company Payable	Immediate Holding Company of the SPV's	Mahindra Susten Private Limited	76.05	334.08	1,277.24

IV. Related Party Balances- Emergent Solren Private Limited

Particulars	Relationship of the related party	Name of the related party	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2021
Intra Company Payable	Immediate Holding Company of the SPV's	Mahindra Susten Private Limited	1,777.00	1,700.95	1,366.87

Note 30 - Segment Information

Proposed trust group is primarily engaged in business sale of Solar power. There is no chief operating decision maker (CODM) for the proposed trust and hence does not have any additional disclosures to be made under IND AS 108 operating segments. Further, Proposed trust group also operates under one geographical segment namely India.

Note 31 - Withdrawal of Scheme of Arrangement between Mahindra Renewables Private Limited and Martial Solren Private Limited

The SPV had at its meeting held on 31st August 2020, approved the Scheme of Arrangement between the Proposed trust group and Martial Solren Private Limited and their respective shareholders and creditors and the same was subsequently filed before the Hon'ble National SPV Law Tribunal, Mumbai Bench.

The Management due to change in business environment, has decided not to proceed with the proposed Scheme of Arrangement between the Proposed trust group and Martial Solren Private Limited and their respective shareholders and creditors.

Note 32 - Sale of Investments

The SPV has during the previous period FY 19-20 sold its investment in one of its wholly owned subsidiary, Divine Solren Private Ltd on 16th April 2020. This investment was accounted as held for sale in the financials statement for the year ended 31st March 2020. The Proposed trust group has accounted a profit on sale of investment amounting to Rs. 484.28 Millions.

Note 33- Government Grants

The SPV had received a viability gap funding (grant) of Rs. 498.56 millions in financial year 2016-17 from Government of India under Ministry of New and Renewable Energy (MNRE scheme) notified on 14th March 2016 for the solar power plant of Astra Solren Private Limited at Gujarat, India (Project). This grant recognized as income over the life of the project i.e. 25 years. The Proposed trust group has an obligation to refund the grant as per mechanism provided in the VGF Securitization agreement, in event if the above mentioned project fails to generate power continuously for a period of 1 year during the life of the project i.e., 25 years.

Note 34 - Claim under Change in Law

The Department of Revenue, Government of India, vide its notification dated July 30, 2018 ("Notification") under the Customs Tariff Act, 1975 ("CTA") imposed Safeguard Duty on import of 'solar cells whether or not assembled in modules or panels'. The Safeguard Duty was imposed with effect from the date of Notification. Pursuant to this notification, the Group incurred Rs. 1,922.16 Million (including goods and services tax of Rs. 613.20 Million) in relation to Safeguard Duty (SGD) on solar modules as of the reporting date.

The Group filed petitions before Central Electricity Regulatory Commission ("CERC") for acknowledgment of these additional cost for SGD as events of "Change in Law". CERC vide its order in January 2021 established such change in law entitlement of the Group. Pursuant to which, customers have issued letter agreeing to an amount of Rs.1,308.96 Million to be settled in 13 years on monthly payment basis. Such amount carries interest @ SBI MCLR +250 points.

The Group recognized a safeguard duty refund receivables under other financial assets and a corresponding liability as deferred revenue under other liability. The safeguard duty refund receivables is measured at amortised cost. Deferred revenue will be amortised on straight line basis over the period of PPA.

Further during the year, Customers (Delhi Metro Rail Corporation Limited and M. P. Power Management Group Limited) have admitted Goods & service tax (GST) claims aggregating to Rs. 583.20 Millions. Customers have agreed to settle the aforesaid amount in 6 installments and paid 507.30 Million until 31 March 2023, the balance installment of Rs. 75.9 Million being receivable. The Group has recognized income from this GST claim of Rs. 73.8 Million (from the date of commencement of supply under power purchase agreement till March 2023) and balance Rs. 509.40 Million has been classified as deferred revenue under other liability.

Note 35 - Multi Circuit Tower Liability

Mega Suryaajra Private Limited ("MSUPL") has entered into an agreement ("MCT Sharing Agreement") with ABC Renewable Energy (RJ-01) Private Limited ("RJ-01") dated 26.03.2022 for sharing of multi circuit system constructed by MSUPL near the entry of 220/400 kV Bhadla-2 Grid Substation of PGCIL. In accordance with the MCT Sharing Agreement, RJ-01 agreed to share with MSUPL 8 numbers of multi circuit transmission (MCT) towers and 4 numbers of multi circuit transmission gantrys along with civil foundations, right of way (RoW) and one optical power ground wire (OPGW) line ("Shared Transmission System") against a consideration of Rs 41.30 million (inclusive of applicable Taxes). The said arrangement is in line with sharing guidelines and mandates issued by the Central Transmission Utility of India Limited ("CTUIL") to resolve Right-of-Way (RoW) constraints. The consideration received for sharing the MCT has been recognised as Deferred Revenue against the contract liability and is being accrued as income as and when it satisfies its performance obligation over the life of PPA.

Note 36

The Board of Directors of the Group, at their meeting held on 18th January, 2023 and subsequently on 24th February 2023, had inter alia, approved, the Scheme of Arrangement between Mahindra Susten Private Limited ("Demerged Group") and Emergent Solren Private Limited ("Resulting Group") and their respective shareholders and creditors, under Sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("Scheme").

The Scheme inter alia provides for demerger of two solar power projects namely Goyalri project and SECI RJ project located in Rajasthan, from the Demerged Group into the Resulting Group on a going concern basis and the issue of 1 Equity shares of Rs. 10 each of the resulting group for every 40 share held in demerged group to the owner of Demerged group.

The said scheme was approved by the National Group Law Tribunal via its order dated 11th August 2023 and scheme become effective from 1st September 2023. The appointed date of the scheme is same as effective date.

Note 37

Unless otherwise stated, All the numbers have been rounded off to nearest Millions.

Note 38

The special purpose combined financial statements were approved by the Board of Directors and authorized for issue on 25th September 2023

The accompanying notes 1 to 38 are an integral part of the Special Purpose Combined Financial Statements

For and on behalf of the Board of Directors
Sustainable Energy Infra Investment Managers
Private Limited (Acting as Investment Manager of
Sustainable Energy Infra Trust)

Avinash Rao
Chief Executive Officer

Puneet Renjhen Debapratim Hazara
Director Director
DIN: 09498488 DIN: 09804007

Place : Mumbai Place : Singapore
Date : 26th September 2023

ANNEXURE B - PROJECTIONS OF REVENUE FROM OPERATIONS AND CASH FLOW FROM OPERATING ACTIVITIES

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AUDITORS' REPORT ON PROJECTIONS OF REVENUE FROM OPERATIONS AND CASH FLOWS FROM OPERATING ACTIVITIES

To
The Board of Directors,
Sustainable Energy Infra Investment Managers Private Limited (the "Investment Manager") in its capacity as an Investment Manager of the Sustainable Energy Infra Trust (the "Issuer" or the "Trust")
Mahindra Towers
Pandurang Budhkar Marg, Near Doorsharshan Kendra, Worli
Mumbai – 400018, Maharashtra, India.

1. We have examined, as appropriate (refer paragraph 3 below), the accompanying statements of projections of revenue from operations and cash flows from operating activities and the underlying assumptions of Sustainable Energy Infra Trust (the "Issuer" or the "Trust") and its proposed subsidiaries, comprising of:
 - i. Megasolis Renewables Private Limited (formerly known as Mahindra Renewables Private Limited)
 - ii. Emergent Solren Private Limited
 - iii. Mega Suryaurja Private Limited
 - iv. Astra Solren Private Limited
 - v. Neo Solren Private Limited
 - vi. Brightsolar Renewable Energy Private Limited

(collectively, the "Proposed SEIT Group") as described in Note 1 of the prospective combined financial information for the years ending March 31 2024, 2025 and 2026 (collectively, hereinafter referred to as the "Projection Information"), in accordance with Standard on Assurance Engagement 3400, "The Examination of Prospective Financial Information", issued by the Institute of Chartered Accountants of India. The preparation and presentation of the projections including the underlying assumptions and the basis of combination, set out in Note 2 to the Projection Information, is the responsibility of the Investment Manager and has been approved by the Board of Directors of the Investment Manager. 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 projections (including quantitative details). Therefore, we do not vouch for the accuracy of the same.

2. The Projection Information have been prepared for the proposed private placement of units (the "Offer") of the Trust in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The projections have been prepared using a set of assumptions that include hypothetical assumptions about future events and the Investment Manager's actions that are not necessarily expected to occur, as set out in Note 2 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.



3. We did not examine the projection information of certain proposed subsidiaries, whose projection information (the "Other Projection Information") for the relevant years as considered in the Projection Information of the Proposed Trust Group. These Other Projection Information have been examined by other auditors whose reports have been furnished to us by the Management and our examination of the Projection Information, in so far as it relates to the amounts and disclosures included in respect of such entities is based solely on the report of the other auditors.
4. We have carried out our examination of the Projection Information on a test basis. Based on our examination of the evidence supporting the assumptions (excluding the hypothetical assumptions) and based on report of other auditors in respect of Other Projection Information as mentioned in the Projection Information, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Projection Information assuming that the Trust post offer capital structure and corporate structure, will be in existence from October 01, 2023 was more fully described in Note 2 to the basis of preparation of the Projection Information.
5. Further, in our opinion and based on report of other auditors in respect of certain proposed subsidiaries, nothing has come to our attention that causes us to believe, that the Projection Information read with the basis of preparation and notes therein, has not been properly prepared on the basis of the assumptions as set out in Note 2 to the Projection Information and on a consistent basis, to the extent applicable, with the accounting policies and the basis of preparation used for the preparation of the historical special purpose combined financial statements of the Trust which is included in the Draft Placement Memorandum (the "DPM"). Even if the events anticipated under the hypothetical assumptions described above occur, actual results are still likely to be different from the projection since other anticipated events frequently do not occur as expected and the variation may be material.
6. This Report is required by InvIT Regulations requiring the independent auditor to issue a report on the projections and is issued for the sole purpose of the proposed Offer in accordance with the InvIT Regulations. Our work has not been carried out in accordance with auditing or other standards or practices accepted in jurisdictions outside India, including the United States of America, and accordingly should not be relied upon as if it had been carried upon in accordance with those standards and practices. US securities regulations do not require profit forecast to be reported 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, as amended, participating in the Offer. We accept no responsibility and deny any liability to any person who seeks to rely on this report and who may seek to make claim in connection with any offering of securities on the basis that they had acted in reliance on such information under the protections accorded by United States of America law and regulation.

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7. This report is addressed to and is provided to enable the Investment Manager to include this report in the DPM in connection with the proposed Offer of units of the Trust and the Projection Information may not be meaningful for any other purpose.

For DELOITTE HASKINS & SELLS LLP
Chartered Accountants
(Firm's Registration No. 117366W/ W-100018)



Mehul Parekh
Partner
Membership No. 121513
UDIN 23121513BGYAGL7419

Place: Mumbai
Date: September 26, 2023



Sustainable Energy Infra Trust (the "Trust")

Statement of Projections Revenue from Operations and Cash Flow from Operating – Activities

Rs. In Million

Particulars	Revenue from Operations		
	FY 24	FY 25	FY 26
A. SEIT Trust Combined	8,077.07	8,430.30	9,105.48
B. Project wise breakup of combined			
ASPL	601.13	619.55	642.04
NSPL	392.93	389.89	387.94
BREPL	134.55	137.52	139.76
REWA	1,990.91	1,828.69	1,884.90
ISTS-01	1,574.82	1,696.57	1,864.07
SECI	1,226.02	1,426.80	1,663.91
Goyalari	567.98	616.22	659.99
MSUPL	1,588.73	1,715.06	1,862.87
Particulars	Cash flow from operations		
	FY 24	FY 25	FY 26
A. SEIT Trust Combined	6,165.01	7,154.20	7,756.23
B. Project wise breakup of combined			
ASPL	525.26	545.44	566.48
NSPL	549.29	344.52	340.77
BREPL	126.72	118.23	120.38
REWA	1,146.27	1,558.62	1,602.57
ISTS-01	1,219.58	1,537.79	1,700.28
SECI	998.96	1,332.57	1,566.65
Goyalari	489.38	521.06	538.74
MSUPL	1,300.09	1,574.66	1,717.37
C. SEIT Trust Standalone	(190.53)	(378.69)	(397.02)

*Cashflow from operating activities are reported before taxes

For and on behalf of the Board of Directors
Sustainable Energy Infra Investment
Managers Private Limited (Acting as
Investment Manager of Sustainable Energy
Infra Trust)

Avinash Rao
Chief Executive officer



**Sustainable Energy Infra Trust
Notes to the Projection Information**

1. General information

Sustainable Energy Infra Trust ("SEIT" or the "Trust") is an irrevocable trust, pursuant to the Trust Deed dated July 20, 2023, under the provisions of the Indian Trusts Act, 1882 and registered with the Securities Exchange Board of India ("SEBI") vide Certificate of Registration dated August 11, 2023 as an Infrastructure Investment Trust under Regulation 3(1) of the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 with the registration number IN/InvIT/23-24/0027. The Trust is settled by of 2726522 Ontario Limited and Mahindra Susten Private Limited (together referred as the "Sponsors"). The Trustee for the Trust is Axis Trustee Service Limited (the "Trustee"). The Investment Manager for the Trust is Sustainable Energy Infra Investment Managers Private Limited (the "Investment Manager" or the "Management") and the Project Manager for the Trust is Green Energy Infra Project Managers Private Limited (the "Project Manager").

MSPL has settled the Trust for an initial sum of INR 10,000. In terms of the Trust Deed, the investment objectives and strategy of the Trust is to carry on the activities of and make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations and applicable law, including in such special purpose vehicles, holding companies and/or securities in India as permitted under the InvIT Regulations and other applicable laws.

The MSPL Sponsor, MRPL and certain other shareholders presently hold 100% of the equity shareholding of each of the Initial Portfolio Assets except for ESPL wherein MHL currently holds 69.99% stake and 2452991 Ontario Limited holds 29.99% stake:

Sr No.	Name of the entity (SPV)	Project
1	Emergent Solren Private Limited ("ESPL")	Goyalri Project SECI RJ Project
2	Megasolis Renewable Private Limited ("MRPL") [formerly known as Mahindra Renewable Private Limited]	Rewa Project ISTS Project
3	Mega Surya Urja Private Limited ("MSUPL")	MSUPL Project
4	Astra Solren Private Limited ("ASPL")	ASPL Project
5	Neo Solren Private Limited ("NSPL")	NSPL Project
6	BrightSolar Renewable Energy Private Limited ("BREPL")	BREPL Project

(All the above mentioned SPV's and Projects together are hereinafter referred to as "SPVs" and "Projects" respectively and along with the Trust are collectively referred as the "SEIT Group")



**Sustainable Energy Infra Trust
Notes to the Projection Information**

2. Basis of preparation of Projection Information

The statement of projections of revenue from operations and cash flow from operating activities of the Trust and of the proposed subsidiaries as mentioned in note 1 above for the years ending March 31, 2024, March 31, 2025 and March 31, 2026 along with the underlying assumptions and other explanatory information (the "Projection Information") have been compiled by the Investment Manager of the Trust solely for the purpose of inclusion in the Draft Placement Memorandum in connection with the proposed private placement 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 Special Purpose Combined Financial Statements of the Trust, 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, as amended, prescribed under Section 133 of the Companies Act, 2013, read with the InvIT regulations and the Guidance note on Combined and Carve-out Financial Statements issued by the Institute of Chartered accountants of India.

Cash flow from operating activities for the Trust and the 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 items. Cash flow from operating activities do not include any items pertaining to financing or investing nature. The Projections do not provide for all detailed disclosures as required under Ind- AS framework.

The Projections have been prepared and disclosed in INR Millions, unless otherwise specifically mentioned. The accounting year of the Trust and the SPV is March 31 of each year, accordingly the Projections are prepared for the years ending on March 31, 2024, March 31, 2025 and March 31, 2026 ("Projection Period"). The Projections are derived assuming post private placement capital structure and corporate structure as if in existence on October 1, 2023 and that the net proceeds will be infused in the proposed subsidiaries to replace existing bank debts. However, the assumed date of acquisition (October 1, 2023) may be postponed and accordingly, the actual result in the first financial period of the Trust may be different from the Projections Period in the Projection Information.

It is clarified that the Projection Information have been prepared on the basis of a mixture of best-estimate (i.e. assumptions as to future events which are expected to take place



**Sustainable Energy Infra Trust
Notes to the Projection Information**

and the actions expected to take place as of the date the information is prepared) and hypothetical assumptions (about future events and actions which may or may not necessarily take place).

The Projection Information contain forecasts and projections that relate to future events including hypothetical assumptions, which are, by their nature, subject to significant risks and uncertainties. Events and circumstances may not occur as expected. Even if the events anticipated under the hypothetical assumptions described in the Projection Information occur, actual results are still likely to be different from those stated in 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.

These Projection Information has been adopted by the Board of Director of the Investment Manager on 25th September 2023.

3. Significant assumptions for the Projections

The consolidated projections have been prepared by combining the projections of revenue and operating cash flows of the Trust and the SPVs, eliminating transactions between the Trust and the SPVs and after considering the following assumptions:

a. Revenue from Operations:

Revenue from operations of the SEIT Group mainly consists of income from sale of power and sale of CER (Carbon Emission Reduction) units and do not include any other income stream (operating as well as non-operating).

Revenue from Sale of electricity units:

The revenues generated by the SPVs are correlated to the amount of electricity generated, which in turn is dependent upon available irradiance and weather conditions generally. The total kilowatt hour units expected to be generated annually during the next 3 Financial Years are estimated using budgeted plant load factors based on inter-alia the forecasted irradiance and weather conditions.

The contractual tariff rates are applied to this annual estimate to determine the total estimated revenue The Plant Load Factor ("PLF") is the ratio of the actual output of a solar power plant over the reporting period to their potential output if it were possible for them to operate at full rated capacity.

Each of the Projects generate stable revenue from specified contracted tariffs under long term PPAs. The pre-determined tariff structure and the long-term nature of the PPAs ensure predictable and stable generation of revenue and long-term predictable cash flows. Details of the long-term PPAs executed by our Project SPVs are as follows:



Sustainable Energy Infra Trust
Notes to the Projection Information

SPV	Project	State	Commercial Operation of Operations	Capacity (MW AC)	Capacity (MW DC)	Tariff (INR per unit)	Duration of PPA (years)
MRPL	Rewa Project	Madhya Pradesh	3 January, 2020	250	336	2.98 *	25
	ISTS Project	Rajasthan	29 October, 2021	250	362	2.53	25
ESPL	Goyalri Project	Rajasthan	30 April, 2017	60	78	4.35	25
	SECI RJ Project	Rajasthan	14 October, 2021	200	280	2.50	25
MSUPL	MSUPL Project	Rajasthan	17 June, 2022	250	335	2.54	25
ASPL	ASPL Project	Gujarat	30-04-2017	40	52	4.43	25
			02-07-2017	25	32.50	4.43	25
NSPL	NSPL Project	Telangana	6 November, 2017	42	50	5.59	25
BREPL	BREPL Project	Andhra Pradesh	5 January, 2016	10	13	5.99**	25

* +₹ 5 paise yearly escalation from the 2nd to the 16th year

** ₹ 5.99 / KWh with yearly escalation of 3% till the 10th year

All Projects are operational and revenue generating. For the purpose for projecting annual units generated, we have considered on representation from the Management.

Key variables for projections of revenues are actual irradiation, natural climatic conditions, machine availability, external and internal grid availability and losses on account of transmission lines.

Rebate charges have been deducted from the gross revenue for projects wherever the power off-taker has levied such expenses while making payments against the billed amount.

Revenue from Sale of Carbon Emission Reduction (CER) units:

The SPVs are also engaged in selling CER units to carbon credit traders/ end users. All the SPVs other than BREPL and NSPL have received the necessary registrations/ certifications. Hence revenue generated from this activity has been estimated during the projected period for all the SPVs except BREPL and NSPL. The Cash Flows under this category are driven by market forces of demand and supply.

We have estimated the revenue from sale of CER units based on projected units generated by the SPVs from their respective Solar Plant(s), whereas the estimated selling price of CER is based on a market study.



Sustainable Energy Infra Trust
Notes to the Projection Information

Revenue from sale of CER units (In INR Mn) is as follows:

SPV	Project	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
MRPL	Rewa Project	-	53	92
	ISTS Project	-	131	275
ESPL	Goyalri Project	-	26	50
	SECI RJ Project	-	105	214
MSUPL	MSUPL Project	-	134	265
ASPL	ASPL Project	-	23	49

Revenue in relation to the Safeguard Duty Claim in case of Rewa Project, ISTS Project and SECI RJ Project

Rewa Project, ISTS Project and SECI RJ Project are expected to receive change in law claim in relation to Safeguard Duty (SGD Claim) for increase in the capital expenditure for their respective projects due to the introduction of Safeguard Duty on import of solar panels.

Revenue in relation to the GST Annuity Claim in case of Rewa Project and MSUPL Project

Rewa Project has received GST claim from its customers and MSUPL Project shall receive GST Annuities from its customer for increase in the capital expenditure for the project due to the introduction of GST in case of Rewa Project and increase in the rate of GST on solar power-based devices in case of MSUPL Project which are claimed as Change in Law in terms of the respective PPA(s).

b. Cash Flow from Operating Activities:

Cash flow from operating activities for the InvIT Group and the Project SPVs have been calculated using the indirect 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 items. Cash flow from operating activities do not include any items pertaining to financing or investing nature.

Tax (in SPVs)

As the actual outflow on account of direct taxation would be dependent on various factors including but not limited to the final capital structure, prior period MAT credit and unabsorbed depreciation, we have estimated the cash flow from operations excluding payments for direct taxes.

c. Operating Expenses:



**Sustainable Energy Infra Trust
Notes to the Projection Information**

The operating expenses include routine maintenance, insurance, other operating expenses, Project Manager Fees and Investment Manager Fees. These costs are projected based on the base year expenses for the SPVs/ Projects and projected annual increase based on inflation rates and/or based on agreements.

i. Operation and Maintenance (O&M) expenses

O&M expenses considered in the Projections are based on currently existing O&M contracts and their annual increment are considered in line with the terms of the O&M contracts.

ii. SPV Overheads

These mainly include expenses not covered under the O&M contracts such as cost of spares, waterless cleaning expenses, inverter maintenance charges, legal and professional charges, statutory charges, other operating expenses etc. These expenses have been considered in the Projections based on the management's expectations as to the extent to which these are recurring in nature along with management's expectations of annual increment.

iii. Insurance

Insurance expenses considered in the Projections are based on premiums currently being incurred by the Project SPVs. The Investment Manager does not foresee any increase in the insurance cost over the projection period of 3 years, hence the cost has been kept constant over the Projection period.

iv. Solar Park Charges and Annual Lease Payments

Currently two Projects, i.e., ASPL Project and Rewa Project are located in Gujarat Solar Park and Rewa Ultra Mega Solar Park respectively. Accordingly, these projects incur costs in the form of solar park charges and lease rent which are payable based on agreement with such Solar Parks.

v. Deviation Settlement Mechanism (DSM) Penalty

DSM penalties have been considered in the Projections based on management deviation in forecasting of units along with the applicable penalties.

vi. Project Manager and Investment Manager Fees

Project Manager and Investment Manager Fees have been considered based on the Investment Manager's expectations of the expenses that will be incurred during the course of next three years. These costs also include miscellaneous expenses that will be incurred by the Investment Manager on behalf of the Trust such as fees payable to the auditors, valuers, etc.

vii. Operating Expenses (at InvIT level)



Sustainable Energy Infra Trust
Notes to the Projection Information

Operating expense at InvIT level mainly include fees payable to Trustee based on the agreement executed with the Trustee.

Following are the SPVs level Operating Expenses in INR Mn (including PM Fees)

SPV	Project	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
MRPL	Rewa Project	81	140	191
	ISTS Project	150	291	440
ESPL	Goyalri Project	61	96	122
	SECI RJ Project	86	200	312
MSUPL	MSUPL Project	130	275	411
ASPL	ASPL Project	73	98	125
NSPL	NSPL Project	42	45	46
BREPL	BREPL Project	20	21	22

Following are the InvIT level Operating Expenses

In Rs. Million

Expenses	Year ending March 31, 2024	Year ending March 31, 2025	Year ending March 31, 2026
IM Fees	175	348	365
Other Expenses	15	31	32

d. Working capital changes (In Project SPVs):

For the Projects

The working capital requirement of the SPVs for the projected period in terms of trade payables days and trade receivables (Debtors & Unbilled revenue) days. The operating working capital assumptions for the projections comprises of trade payables and trade receivables related to the operating revenue and expenses. The trade payables days are 0 days (of annual expenses), and trade receivables days vary between 60-180 days (of annual revenue), based on the PPA counterparty and the historical collection trends.

For the InvIT

Changes in working capital for the InvIT has been considered as nil during the Projection Period.

e. Other assumptions

- a. The initial portfolio of SPVs remains unchanged through the Projection Period.



**Sustainable Energy Infra Trust
Notes to the Projection Information**

- b. No further assets are acquired or divested during the Projection Period.
- c. It has been assumed that no outflow on account of any litigation related matters including current pending litigations/contingent liabilities is expected to become due during the Projection Period.
- d. There will be no material change in taxation legislation or other applicable legislation.
- e. It has been assumed that no liability or liquidated damages on account of default in concession agreement shall devolve upon the Project SPVs during the Projections Period.
- f. The relevant tax exemptions, tax remissions, and preferential tax treatments granted remain valid and applicable and that the terms and conditions thereto are complied with.
- g. The Projections are based on assumptions and are subject to several factors. Investors should be aware that future events, including power units generation, cannot be predicted with any certainty and there may be deviations from the figures projected in the Projection Information.

R



ANNEXURE C - VALUATION REPORT

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Prepared for:

Sustainable Energy Infra Trust (“the Trust”)

**Sustainable Energy Infra Investment Managers Private Limited
 (“the Investment Manager”)**

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

Fair Enterprise Valuation

Valuation Date: 31st March 2023

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

Sustainable Energy Infra Trust*(acting through Axis Trustee Services Limited [in its capacity as “the Trustee” of the Trust])*

Mahindra Tower
 Pandurang Budhkar Marg
 Near Doordarshan Kendra
 Mumbai – 400018

Sustainable Energy Infra Investment Managers Private Limited*(acting as the Investment Manager to Sustainable Energy Infra Trust)*

Mahindra Tower
 Pandurang Budhkar Marg
 Near Doordarshan Kendra
 Mumbai – 400018

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“the SEBI InvIT Regulations”)

Dear Sir(s)/Madam(s),

I, Mr. S. Sundararaman (“**Registered Valuer**” or “**RV**” or “**I**” or “**My**” or “**Me**”) bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 2nd June 2023 as an independent valuer, as defined under the SEBI InvIT Regulations, by Sustainable Energy Infra Investment Managers Private Limited (“**SIIMPL**” or “**the Investment Manager**”) acting as the investment manager for Sustainable Energy Infra Trust (“**the Trust**” or “**InvIT**”), an infrastructure investment trust, registered with the Securities Exchange Board of India (“**SEBI**”) and Axis Trustee Services Limited (“**the Trustee**”) acting as the trustee for the Trust, for the purpose of the financial valuation of the special purpose vehicles (defined hereinafter below) as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**the SEBI InvIT Regulations**”). The SPVs will be forming part of the Initial Portfolio of Assets and are proposed to be transferred to the Trust as per the extant provisions of the SEBI InvIT Regulations where SIIMPL is acting as the Investment Manager and Mahindra Susten Private Limited, India and 2726522 Ontario Limited, Canada are acting as the Sponsors within the meaning of SEBI InvIT Regulations.

Following special purpose vehicles are proposed to be transferred to the Trust:

Sr. No.	Name of the SPV	Project	Capacity (AC)	Term
1	Megasolis Renewables Private Limited	Rewa Project	250 MW	MRPL
		ISTS Project	250 MW	
2	Emergent Solren Private Limited	Goyalri Project	60 MW	ESPL
		SECI RJ Project	200 MW	
3	Mega Surya Urja Private Limited	MSUPL Project	250 MW	MSUPL
4	Astro Solren Private Limited	ASPL Project	65 MW	ASPL
5	Neo Solren Private Limited	NSPL Project	42 MW	NSPL
6	BrightSolar Renewable Energy Private Limited	BREPL Project	10 MW	BREPL

(Hereinafter all the six companies mentioned above are together referred to as “**the SPVs**” and all the eight projects mentioned above are together referred to as “**the Projects**”)

I understand that the InvIT, acting through the Trustee, shall acquire the equity stake in the SPVs, mentioned in the above table, following which units of the Trust shall be issued to the Sponsors by the Trust, which are to be listed on one or more Indian Stock Exchanges consequent to a private placement of the Trust (“**Proposed Transaction**”).

In this regard, the Investment Manager and the Trustee intends to undertake the fair enterprise valuation of the SPVs as on 31st March 2023 as per the provisions of the SEBI InvIT Regulations. I am enclosing the Report

providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31st March 2023 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPVs as at 31st March 2023, where the adjusted enterprise value ("**Adjusted EV**") is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31st March 2023.

This Report has been prepared solely for the purpose of inclusion as part of the Draft Placement Memorandum ("**DPM**") and such other documents as may be required in accordance with the independent valuation required as per the SEBI InvIT Regulations.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this **Valuation Report** ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

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

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by SEBI thereunder.

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

RV draws your attention to the limitation of liability clauses in Section 10 of this Report.

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

Yours faithfully,

S. Sundararaman

Registered Valuer

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

Place: Chennai

UDIN: 23028423BGYWHW9563

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
APSPDCL	Andhra Pradesh Southern Power Distribution Company Limited
ASPL	Astro Solren Private Limited
BREPL	Bright Solar Renewable Energy Private Limited
Capex	Capital Expenditure
CER	Certified Emission Reduction
COD	Commercial Operation Date
DISCOM	Distribution Companies
DMRC	Delhi Metro Rail Corporation
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ERP	Equity Risk Premium
ESPL	Emergent Solren Private Limited
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31 st March
GAAP	Generally Accepted Accounting Principles
GW	Giga Watts
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ SIIMPL	Sustainable Energy Infra Investment Managers Private Limited
IVS	ICAI Valuation Standards 2018
kWh	Kilo Watt Hour
Mn	Million
MPPMCL	MP Power Management Company Limited
MRPL	Megasolis Renewables Private Limited
MSUPL	Mega Surya Urja Private Limited
NAV	Net Asset Value Method
NCA	Net Current Assets, Excluding Cash and Bank Balances
NSPL	Neo Solren Private Limited
NTPC	National Thermal Power Corporation
O&M	Operation & Maintenance
PPP	Public Private Partnership
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SECI	Solar Energy Corporation of India Limited
Sponsors	Mahindra Susten Private Limited and 2726522 Ontario Limited
SPV	Special Purpose Vehicle
the Trust or InvIT	Sustainable Energy Infra Trust
the Trustee	Axis Trustee Services Limited
TSNPDCL	Telangana State Northern Power Distribution Company Limited
WACC	Weighted Average Cost of Capital

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1. Executive Summary

1.1. Background

The Trust

- 1.1.1. Sustainable Energy Infra Trust (“the **Trust**”) was established on 11th August 2023. The Trust is registered with Securities and Exchange Board of India (“SEBI”) pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 (“SEBI InvIT Regulations”) with effect from 11th August 2023, bearing registration number IN/INVIT/23-24/0027. The Trust has proposed to acquire the SPVs and would be responsible for holding the SPVs in trust and for the benefit of the unitholders, undertaking the activities and other duties specified as per the SEBI InvIT Regulations.
- 1.1.2. The objective and purpose of the InvIT is to carry on the activities of an infrastructure investment trust, as permissible under the InvIT Regulations, to raise funds through the InvIT, to make Investments in accordance with the InvIT Regulations and the Investment Strategy and to carry on the activities as may be required for operating the InvIT including incidental and ancillary matters thereto. It is established to own and operate renewable power generation assets in India.
- 1.1.3. Axis Trustee Services Limited (“**the Trustee**”) has been appointed as the Trustee of the Sustainable Energy Infra Trust.

The Sponsors

- 1.1.4. Mahindra Susten Private Limited and 2726522 Ontario Limited (“**the Sponsors**”) have floated an infrastructure investment trust under the SEBI InvIT Regulations called Sustainable Energy Infra Trust (“**SEIT**” or “**the Trust**”).

Mahindra Susten Private Limited

- 1.1.5. Mahindra Susten Private Limited was incorporated on 19th September 2010 under Companies Act, 1956. MSPL is one of the largest renewable energy companies in India with 1.5+ GWp of assets (~100% operational). MSPL is backed by one of India’s largest groups, Mahindra Group with a minority stake owned by OTPP (AUM of CAD 243 Bn as of June 2022).
- 1.1.6. The Shareholding of MSPL on 31st March 2023 is as follows:

Name of Shareholder	Nos. of Shares	Shareholding
Mahindra Holdings Limited	273,646,420	70%
2452991 Ontario Limited	117,277,036	30%
Total	390,923,456	100%

2726522 Ontario Limited

- 1.1.7. 2726522 Ontario Limited was incorporated on 13th November 2021 under the laws of Canada.
- 1.1.8. It is a 100% subsidiary of Ontario Teachers’ Pension Plan Board.
- 1.1.9. Ontario Teachers’ Pension Plan Board (“OTPPB”), being an associate of the OTPP Sponsor, is the largest single-profession pension plans in Canada with net assets of CAD 249.80 billion as at 30th June 2022. OTPPB invests in more than 50 countries in a broad array of assets including public and private equities, fixed income, credit, commodities, natural resources, infrastructure, real estate and venture growth to deliver retirement income for 333,000 working members and pensioners.

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Investment Manager

- 1.1.10. Sustainable Energy Infra Investment Managers Private Limited ("**SIIMPL**" or "**the Investment Manager**") has been 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 InvIT Regulations.

Name of Shareholder	Nos. of Shares	Shareholding
Mahindra Sustainable Energy Private Limited	4,000	40%
2726522 Ontario Limited	6,000	60%
Total	10,000	100%

Project Manager

- 1.1.11. Green Energy Infra Project Managers Private Limited ("**GEIPMPL**" or "**the Project Manager**") has been appointed as the Project Manager to the Trust pursuant to a resolution passed by the Board of Directors of the Investment Manager and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

Name of Shareholder	Nos. of Shares	Shareholding
Mahindra Sustainable Energy Private Limited	4,000	40%
2726522 Ontario Limited	6,000	60%
Total	10,000	100%

1.1.12. Financial Assets to be Valued

The financial assets under consideration are valued at Enterprise Value and Adjusted Enterprise Value of the following the SPVs (Project-wise):

Sr. No.	Name of the SPV	Project	Term
1	Megasolis Renewables Private Limited	Rewa Project ISTS Project	MRPL
2	Emergent Solren Private Limited	Goyalri Project SECI RJ Project	ESPL
3	Mega Surya Urja Private Limited	MSUPL Project	MSUPL
4	Astro Solren Private Limited	ASPL Project	ASPL
5	Neo Solren Private Limited	NSPL Project	NSPL
6	BrightSolar Renewable Energy Private Limited	BREPL Project	BREPL

(Together referred to as "the **SPVs**" and "the **Projects**" respectively)

1.1.13. Purpose of Valuation

I understand that the proposed InvIT, acting through the Trustee, shall acquire the equity stake in the SPVs, mentioned in the above table, following which units of InvIT shall be issued to the Sponsors by the Trust, which are to be listed on one or more Indian Stock Exchanges consequent to a private placement of the Trust ("**Proposed Transaction**").

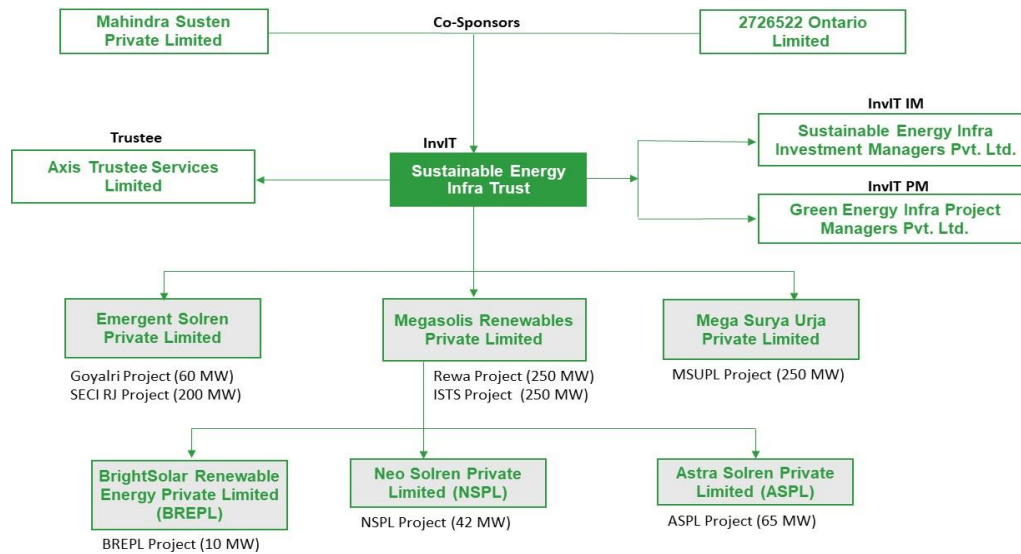
- 1.1.14. In this regard, the Investment Manager has appointed me, S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPVs at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

- 1.1.15. I declare that:

- I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
- I am not an associate of the Sponsors(s) or investment manager or trustee and I have not less than five years of experience in valuation of infrastructure assets;
- I am independent and have prepared the Report on a fair and unbiased basis;
- I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.

1.1.16. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

1.1.17. **Proposed Group Structure of the Trust:**



Source: Investment Manager

1.2. **Scope of Valuation**

1.2.1. **Nature of the Asset to be Valued**

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value of the SPVs at the Project Level. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities.

Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the valuation date.

1.2.2. **Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPVs at the enterprise level. Fair Value Bases defined as under:

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party (ies) involved.

1.2.3. **Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPVs is 31st March 2023 (“**Valuation Date**”). The RV is not aware of any other events having occurred since 31st March 2023 till date of this Report which he deems to be significant for his valuation analysis.

1.2.4. Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPVs on a Going Concern Value defined as under:

Going Concern Value

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc. For current valuation exercise, we have determined the fair enterprise value of the SPVs on a Going Concern Value, till the end of the tenure of their respective PPAs.

1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow (“DCF”) method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence, NAV method has been considered for background reference only.
Income Approach	Discounted Cash Flow	Yes	All the SPVs are generating income based on pre-determined power purchase agreements. Hence, the growth potential of the SPVs and the true worth of its business would be reflected in its future earnings potential and therefore, DCF Method under the income approach has been considered as an appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm (“FCFF”) has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on the audited financial statements as at 31st March 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital (“WACC”) for each of the SPVs.

The term of the PPA is 25 years from COD for all of the SPVs. The ownership of the underlying assets (tangible assets) shall remain with the SPVs even after the expiry of PPA term. As the cash flows beyond the end of PPA term are relatively uncertain on account of factors like degradation of panels, technology factor, tariff rate, extension of licenses (wherever required), determination of tariff rate, etc., the terminal period value (i.e. value on account of cash flows to be generated after the expiry of PPA period) has been considered based on the salvage value of the plant & machinery, sale of freehold land and realisation of working capital at the end of their respective PPA term.

Further the SPVs generate cash flows from the sale of CER units which are earned based on the unit generated through out the life of the PPA. Since these cash flows are relatively uncertain, on account of factors such as uncertainty of selling rate, demand for the units etc, I have considered a different discount rate for arriving at the value of cash flows from such CER units.

The sum of the discounted value of the above free cash flows is the enterprise value of the SPVs.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs (Project-wise) as on the Valuation Date:

Sr. No.	SPVs	Projects	~Projection Period (Balance Project Period)	Capacity (AC)	Fair EV* (INR Mn)	Adjusted Fair EV** (INR Mn)
1	MRPL	Rewa	~ 21 Years 9 Months	250 MW	14,203	14,896
		ISTS	~ 23 Years 7 Months	250 MW	14,513	15,549
2	ESPL	Goyalri	~ 19 Years 0 Months	60 MW	4,199	4,318
		SECI RJ	~ 23 Years 8 Months	200 MW	11,381	12,261
3	MSUPL	MSUPL	~ 24 Years 3 Months	250 MW	15,197	15,680
4	ASPL	ASPL	~ 19 Years 2 Months	65 MW	4,355	4,603
5	NSPL	NSPL	~ 19 Years 7 Months	42 MW	2,965	3,300
6	BREPL	BREPL	~ 17 Years 9 Months	10 MW	970	1,053
Total				1127 MW	67,782	71,660

* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

** Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs as the EV (derived as above) plus cash or cash equivalents of the SPVs as at the Valuation Date.

(Refer Appendix 1 & 2 for the detailed workings)

2. Procedures adopted for current valuation exercise

- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 ("IVS") issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
 - 2.2.1. Requested and received financial and qualitative information relating to the SPVs;
 - 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
 - 2.2.3. Discussions with the Investment Manager on:
 - Understanding of the business of the SPVs – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
 - 2.2.4. Undertook industry analysis:
 - Research publicly available market data including economic factors and industry trends that may impact the valuation;
 - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
 - 2.2.5. Analysis of other publicly available information;
 - 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
 - 2.2.7. Determination of fair value of the EV and Adjusted EV of the SPVs on a going concern basis at the Valuation Date.

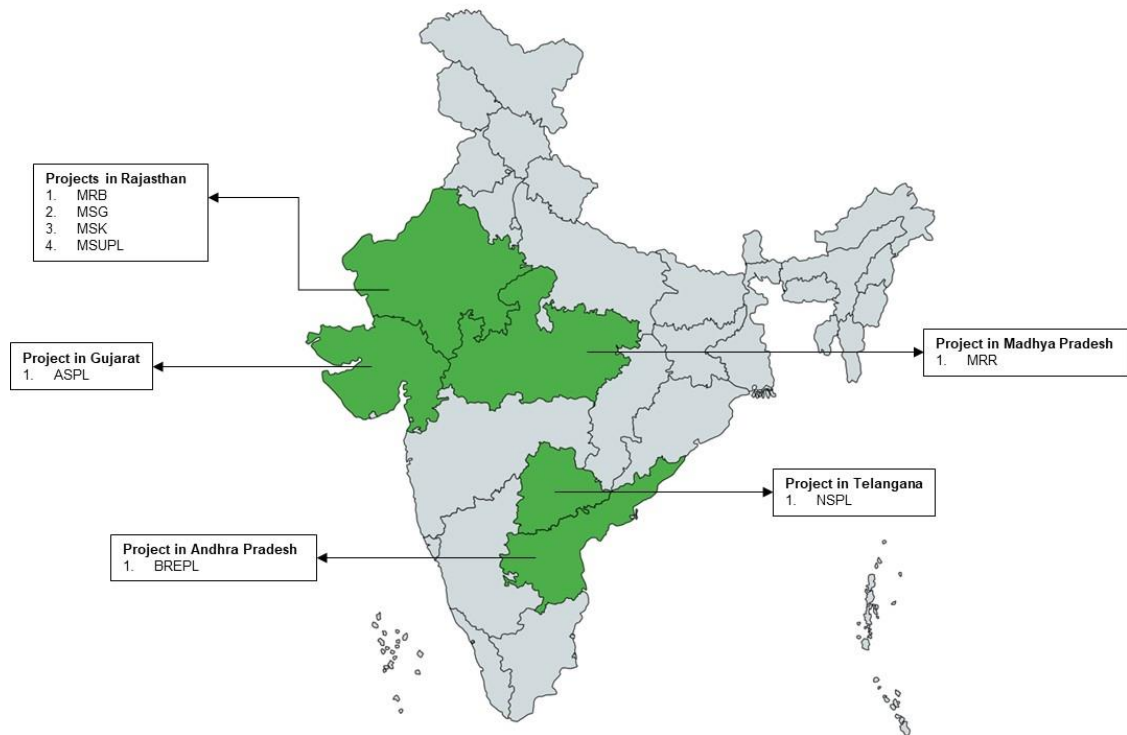
3. Overview of the InvIT and SPVs

3.1. The Trust

3.1.1. Sustainable Energy Infra Trust (“the **Trust**”) is Sponsored by Mahindra Susten Private Limited and 2726522 Ontario Limited. The Trust is registered with the SEBI as an InvIT with effect from 11th August 2023.

3.1.2. The Trust has proposed to acquire from the Sponsors certain SPVs, viz. MRPL, ESPL, MSUPL, ASPL, NSPL, BREPL.

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



Source: Investment Manager

Background of the SPVs

3.2. Megasolis Renewables Private Limited (“MRPL”):

MRPL is mainly engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic solar modules, photo voltaic solar system/subsystem, tracker or fixed tilt, concentrated solar power and to provide related services. Currently MRPL has mainly two major projects, Rewa Project and ISTS Project. Summary of both the projects are as follows:

Rewa Project

Parameters	Details
Installed Capacity (AC)	250.00 MW
Installed Capacity (DC)	336.30 MWp
Plant Location	Rewa, Madhya Pradesh
Actual COD	03-01-2020
Land Area	1,256 Acres
O&M Contractor	Mahindra Teqo Private Limited
PPA Counterparty	MPPMCL and DMRC
PPA Date	13-04-2017
PPA Term	25 years from Actual COD
PPA Tariff	2.98 INR/KWh*
CER Registry	Verra Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

**Tariff of Rewa is subject to escalation as per the terms of the PPA*

Source: Investment Manager

Rewa Project is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located in Rewa Ultra Mega Solar Park at Rewa, Madhya Pradesh. Rewa Project had entered into a PPA with MPPMCL and DMRC on 13th April 2017 for implementation of a 336.3 MWp Solar Photovoltaic Power Generation Unit in the State of Madhya Pradesh, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of the Rewa Project on 16th June 2023. Following are the pictures of the plant site:

Rewa Solar Plant, Rewa, Madhya Pradesh.



ISTS Project

Parameters	Details
Installed Capacity (AC)	250.00 MW
Installed Capacity (DC)	362.00 MWp
Plant Location	Baap, Rajasthan
Actual COD	29-10-2021
Land Area	1,345 Acres
O&M Contractor	Mahindra Teqo Private Limited
PPA Counterparty	SECI
PPA Date	25-10-2018
PPA Term	25 Years
PPA Tariff	2.53 INR/KWh
CER Registry	Gold Standard Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

ISTS Project is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Baap, Rajasthan. ISTS Project had entered into a PPA with SECI on 25th October 2018 for implementation of a 362 MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of ISTS Project on 11th June 2023. Following are the pictures of the plant site:

ISTS Solar Plant, Baap, Rajasthan.



Further, MRPL has invested in a solar rooftop project and the net asset pertaining to this project as at 31st March 2023 is around INR 7 Million. I understand this project is expected to be transferred from MRPL to an identified company and is not expected to be part of the proposed InvIT. Accordingly, this solar rooftop project has not been considered for this valuation exercise.

3.3. Emergent Solren Private Limited (“ESPL”):

ESPL is mainly engaged in the business of production and sale of solar power. The Honourable National Company Law Tribunal, Mumbai Bench by virtue of its order dated 27th July 2023 has approved the Scheme of Arrangement for the demerger of the Solar Power Business (defined as the two solar projects i.e. Goyalri Project and SECI RJ Project) of the demerged company (MSPL) to ESPL under Sections 230 to 232 of the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 (“the Scheme”). Accordingly, all the assets and liabilities pertaining to the Solar Power Business Undertaking, as defined in the Scheme, stand transferred and vested into ESPL from its Effective Date as the Appointed Date i.e. 1st September 2023 as represented to us by the Investment Manager.

Summary of both the projects are as follows:

Goyalri Project:

Parameters	Details
Installed Capacity (AC)	60.00 MW
Installed Capacity (DC)	78.00 MWp
Plant Location	Goyalri, Rajasthan
Actual COD	31-03-2017
Land Area	436 Acres
O&M Contractor	Mahindra Teqo Private Limited
PPA Counterparty	NTPC
PPA Date	29-08-2016
PPA Term	25 Years
PPA Tariff	4.35 INR/KWh
CER Registry	Verra Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

Goyalri Project is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Goyalri, Rajasthan (78 MWp). The Project had entered into 6 PPAs with NTPC on 29th August 2016 for implementation of a 78(6*13=78) MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years.

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For Goyalri solar project, physical site visit was carried out by my team on 12th June 2023. Following are the pictures of the plant site:

Goyalri Solar Plant, Goyalri, Rajasthan



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SECI RJ:

Parameters	Details
Installed Capacity (AC)	200.00 MW
Installed Capacity (DC)	280.00 MWp
Plant Location	Kolayat, Rajasthan
Actual COD	01-12-2021
Land Area	858 Acres
O&M Contractor	Mahindra Teqo Private Limited
PPA Counterparty	SECI
PPA Date	16-10-2014
PPA Term	25 years from Actual COD
PPA Tariff	2.50 INR/KWh
CER Registry	Gold Standard Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

SECI RJ Project is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Kolayat (280 MWp) in Rajasthan. The Project had entered into a PPA with SECI on 16th October 2014 for implementation of a 280 MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of SECI RJ Project on 12th June 2023. Following are the pictures of the plant site:

SECI RJ Solar Plant, Kolayat, Rajasthan



3.4. Mega Surya Urja Private Limited (“MSUPL”)

Summary of project details of MSUPL are as follows:

Parameters	Details
Installed Capacity (AC)	250.00 MW
Installed Capacity (DC)	335.00 MWp
Plant Location	Kolayat, Rajasthan
Actual COD	30-06-2022
Land Area	970 Acres
O&M Contractor	Mahindra Teqo
PPA Counterparty	SECI
PPA Date	31-05-2020
PPA Term	25 Years
PPA Tariff	2.54 INR/KWh
CER Registry	Gold Standard Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

MSUPL is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Sami, Kolayat, Rajasthan. The Company had entered into a PPA with SECI on 31th May 2020 for implementation of a 335.00 MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of MSUPL on 12nd June 2023. Following are the pictures of the Plant site:

MSUPL Solar Plant, Kolayat, Rajasthan.



3.5. Astro Solren Private Limited (“ASPL”)

ASPL is a wholly owned subsidiary of MRPL. Summary of project details of ASPL are as follows:

Parameters	Details
Installed Capacity (AC)	65.00 MW
Installed Capacity (DC)	84.50 MWp
Plant Location	Charanka, Gujarat
Actual COD	24-05-2017
Land Area	Plant-1: 174 Acres; Plant-2: 113 Acres
O&M Contractor	Mahindra Teqo
PPA Counterparty	SECI
PPA Date	28-08-2016
PPA Term	25 Years
PPA Tariff	4.43 INR/KWh
CER Registry	Verra Registry
CER Registration Status	Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

ASPL is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants(32.5 MWp & 52MWp) located at Charanka in Gujarat. It had entered into a Power Purchase Agreement (“PPA”) with Solar Energy Corporation of India Ltd. (“SECI”) on 4th August 2016 for 52 MWp and 28th August 2016 for 32.5 MWp for implementation of a 82.50 MWp Solar Photovoltaic Power Generation Unit in the State of Gujarat, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of ASPL on 22nd June 2023. Following are the pictures of the Plant site:

ASPL Solar Plant, Charanka, Gujarat



3.6. **Neo Solren Private Limited (“NSPL”)**

NSPL is a wholly owned subsidiary of MRPL. Summary of project details of NSPL are as follows:

Parameters	Details
Installed Capacity (AC)	42.00 MW
Installed Capacity (DC)	49.68 MWp
Plant Location	Waddekothapally, Telangana
Actual COD	06-11-2017
Land Area	317.5 Acres
O&M Contractor	Mahindra Teqo
PPA Counterparty	TSNPDCL
PPA Date	24-02-2016
PPA Term	25 Years
PPA Tariff	5.59 INR/KWh
CER Registration Status	Not Registered
Proposed Trust's stake	100% economic ownership

Source: Investment Manager

NSPL is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Waddekothapally, Telangana. The Company had entered into a PPA with TSNPDCL on 24th February 2016 for implementation of a 49.68 MWp Solar Photovoltaic Power Generation Unit in the State of Telangana, under which it has a commitment to sell electricity for a period of 25 years.

My team had conducted physical site visit of NSPL on 16th June 2023. Following are the pictures of the Plant site:

NSPL Solar Plant, Waddekothapally, Telangana



3.7. **BrightSolar Renewable Energy Private Limited (“BREPL”)**

BREPL is a wholly owned subsidiary of MRPL. Summary of project details of BREPL are as follows:

Parameters	Details
Installed Capacity (AC)	10.00 MW
Installed Capacity (DC)	12.50 MWp
Plant Location	Jammalabanda, Andhra Pradesh
Actual COD	05-01-2016
Land Area	46.2 Acres
O&M Contractor	Mahindra Teqo
PPA Counterparty	APSPDCL
PPA Date	04-12-2014
PPA Term	25 years
PPA Tariff	5.99 INR/KWh*
CER Registration Status	Not Registered
Proposed Trust's stake	100% economic ownership

*Tariff of Rewa is subject to escalation as per the terms of the PPA

Source: Investment Manager

BREPL Solar Private is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Jammalabanda, Andhra Pradesh. The Company had entered into a PPA with APSPDCL on 4th December 2014 for implementation of a 12.50 MWp Solar Photovoltaic Power Generation Unit in the State of Andhra Pradesh, under which it has a commitment to sell electricity for a period of 25 years

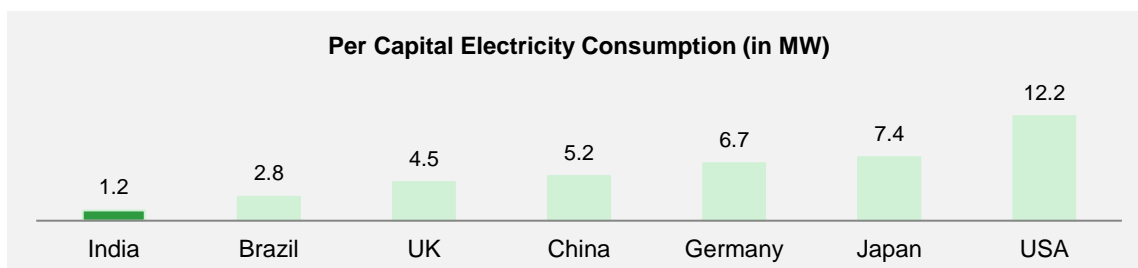
My team had conducted physical site visit of BREPL on 22nd June 2023. Following are the pictures of the Plant site:

BREPL Solar Plant, Jammalabanda, Andhra Pradesh



4. Overview of the Industry

- 4.1 India is the most populous democracy in the world with a population of more than 1.4 billion. India's GDP grew 7.7% in the third quarter of Financial Year 2023. An efficient, resilient, and financially robust power sector is essential for the growth of the Indian economy. A series of reforms in the 1990s and the Electricity Act 2003 have moved the Indian power sector towards being a competitive market with multiple buyers and sellers supported by regulatory and oversight bodies.



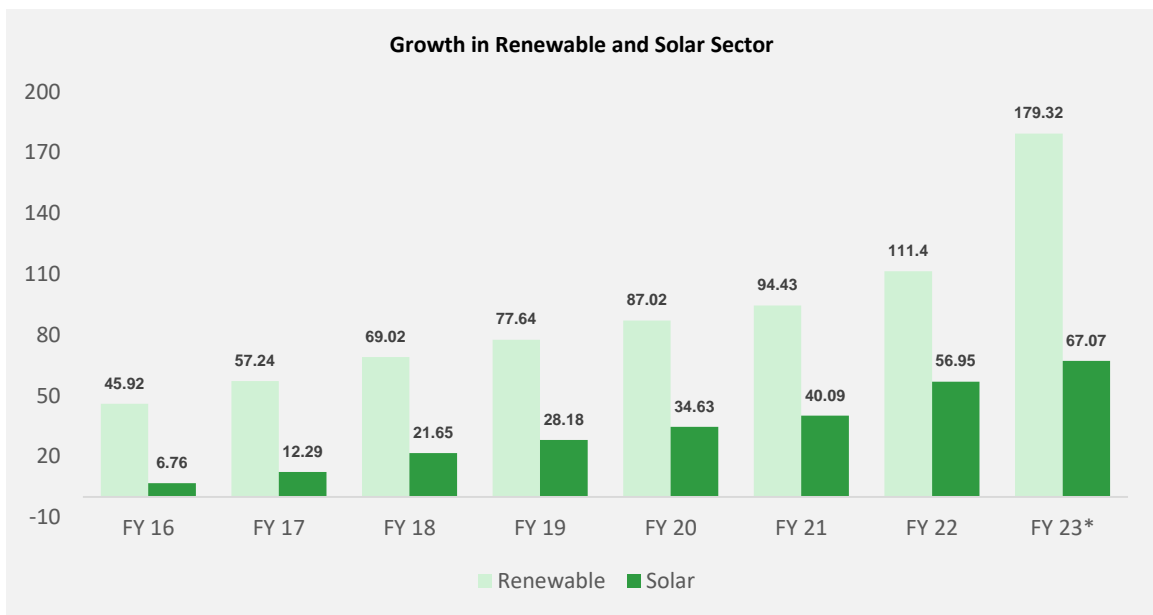
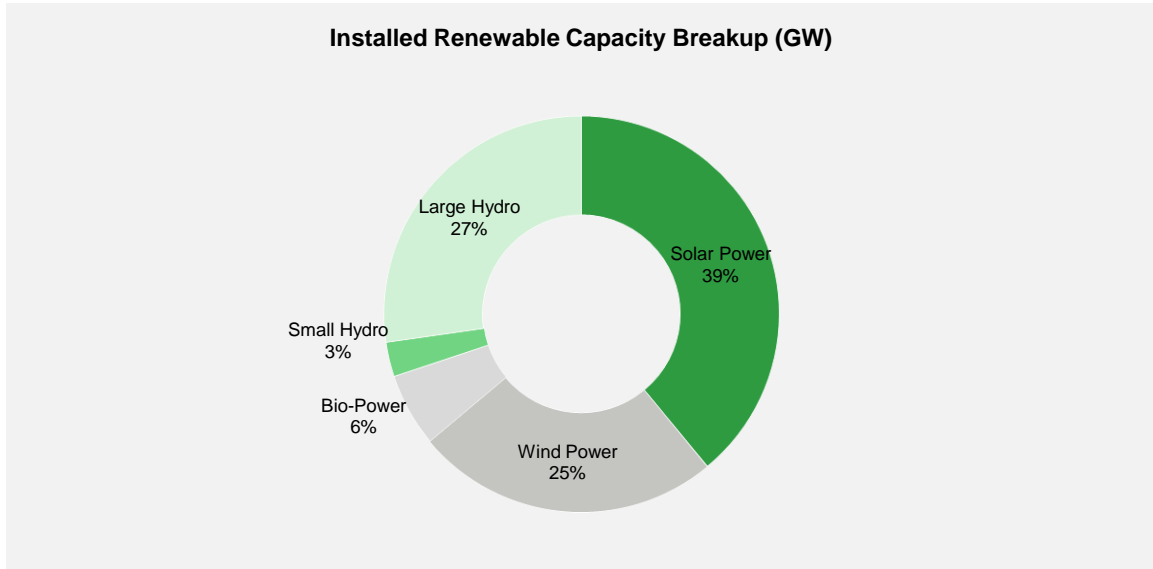
- 4.2 India is the 3rd largest energy consuming country in the world. It stands 4th globally in renewable energy installed capacity, wind power capacity and in solar Power capacity (as per REN21 Renewables 2022 Global Status Report). The country has set an enhanced target at the COP26 of 500 GW of non-fossil fuel-based energy by 2030. This has been a key pledge under the Pancharit Scheme. This is the world's largest expansion plan in renewable energy.
- 4.3 India's installed non-fossil fuel capacity has increased 396% in the last 8.5 years and stands at more than 179.322 Giga Watts (including large Hydro and nuclear), about 43% of the country's total capacity (as of July 2023). India saw the highest year-on-year growth in renewable energy additions of 9.83% in 2022. The installed solar energy capacity has increased by 24.4 times in the last 9 years and stands at 67.07 GW as of July 2023. The installed Renewable energy capacity (including large hydro) has increased by around 128 % since 2014.

A. Global Renewable Energy Outlook

- 4.4 Renewable capacity is poised to grow by 107 GW in 2023. The driving forces include robust policy support, energy security priorities and improved competitiveness against fossil fuels, outweighing challenges like higher costs and supply chain issues.
- 4.5 Solar PV capacity dominates the global renewable capacity growth, contributing to two-thirds of the increase. Escalating electricity prices from the energy crisis prompted policymakers, particularly in Europe, to prioritize energy security and seek alternatives to imported fossil fuels. This shift favors solar PV, especially for quick installation of residential and commercial systems to meet surging requirement for renewable energy.
- 4.6 By the end of 2024, the cumulative global renewable capacity is forecasted to surpass 4,500 GW, equivalent to the total power capacity of China and the United States combined.
- 4.7 As of now, renewable energy sources make up about 7% of the total global energy demand. However, this percentage is expected to increase significantly in the near future. Renewable energy sources are expected to surpass coal as the largest source of global electricity generation by early 2025. By 2026, the cumulative solar PV capacity is predicted to increase by almost 1,500 GW, surpassing natural gas as a source of energy. Furthermore, it is expected to overtake coal by 2027.
- 4.8 The renewable energy sector is expected to focus on various areas, including advanced solar photovoltaic (PV) technology, robotics, artificial intelligence (AI), large-scale data analysis (big data), decentralized energy storage systems, integration with power grids, blockchain technology, the production of green hydrogen, bioenergy, hydropower and wind power.

B. Indian Renewable Energy Outlook

4.9 Renewable energy sources have a combined installed capacity of 150+ GW. As of July 2023, Renewable energy sources, including large hydropower, have a combined installed capacity of ~179 GW. The following is the installed capacity for Renewables:



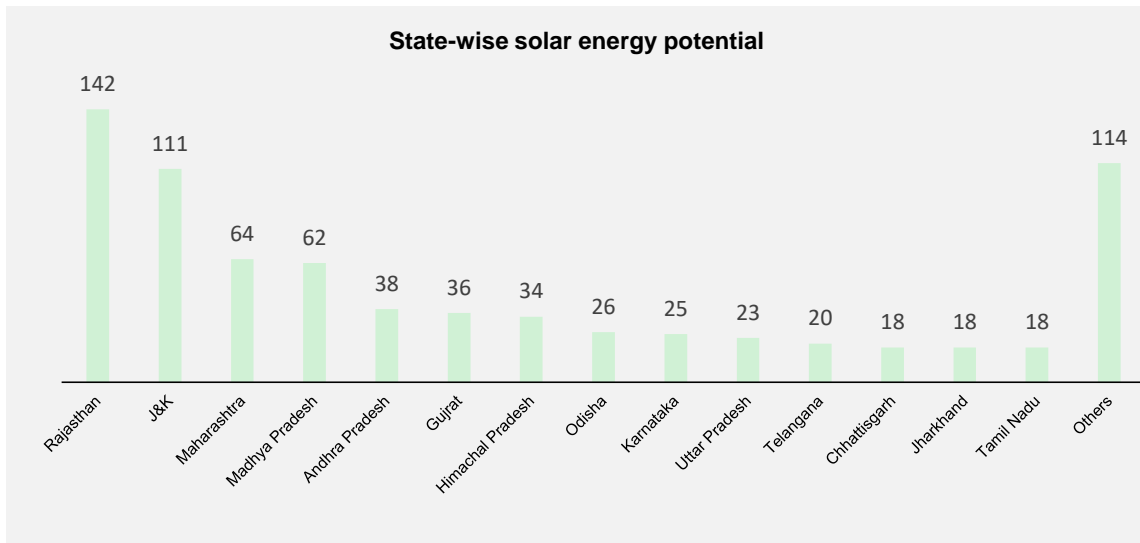
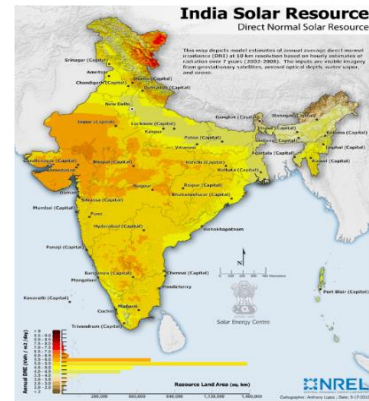
*Data as of July 2023

4.10 India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. India aims for 500 GW of renewable energy installed capacity by 2030.

4.11 57 solar parks with an aggregate capacity of 39.28 GW have been approved in India.

C. Indian Solar Industry Outlook

4.12 India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day. Solar photovoltaic power can effectively be harnessed providing huge scalability in India. Solar also provides the ability to generate power on a distributed basis and enables rapid capacity addition with short lead times. Off-grid decentralized and low-temperature applications will be advantageous from a rural application perspective and meeting other energy needs for power, heating and cooling in both rural and urban areas. From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country's power requirements.



Source: CRISIL Report

4.13 National Institute of Solar Energy has assessed the Country's solar potential of about 748 GW assuming 3% of the waste land area to be covered by Solar PV modules. Solar energy has taken a central place in India's National Action Plan on Climate Change with National Solar Mission as one of the key Missions. National Solar Mission (NSM) was launched on 11th January, 2010. NSM is a major initiative of the Government of India with active participation from States to promote ecological sustainable growth while addressing India's energy security challenges. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change. The Mission's objective is to establish India as a global leader in solar energy by creating the policy conditions for solar technology diffusion across the country as quickly as possible. The Mission targets installing 100 GW grid-connected solar power plants by the year 2022. This is line with India's Intended Nationally Determined Contributions (INDCs) target to achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources and to reduce the emission intensity of its GDP by 33 to 35 percent from 2005 level by 2030.

4.14 Recently, India stands 4th in solar PV deployment across the globe as on end of 2021. Solar power installed capacity has reached around 67 GW as on 31st March, 2023. Presently, solar tariff in India is very competitive and has achieved grid parity.

4.15 As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%. The share of solar energy of overall RE installed capacity has increased from 7.5% in 2014 to around 39.7% in 2020, growing at a CAGR of 53.7%.

D. Understanding key terms used in the solar industry

4.16 Plant Load Factor (PLF)

- The Central Electricity Regulatory Commission defines Plant Load Factor as a percentage of energy sent out by the power plant corresponding to installed capacity in that period. In the context of solar power plants, it reflects how efficiently the plant is utilizing its installed solar panel capacity to generate electricity over a specific period, often a year. In India, the Ministry of Power has, since the early 90s, used the Plant Load Factor as a metric to check the efficiency of a plant. A PLF norm has been set, and incentives are being given to those producers who produce power in excess of the norm.

$$PLF = \frac{\text{Actual Energy Output}}{\text{Installed Capacity} \times \text{Total Time}} \times 100$$

Where,

Actual Energy Output: The total amount of energy generated by the solar power plant over the chosen time period.

Installed Capacity: The maximum power output the solar panels are designed to produce under ideal conditions (rated capacity).

Total Time: The duration for which the plant has been operating (usually measured in hours).

- A low PLF is bad for the power plant as it indicates that the plant is not being used to its optimal capacity. This will increase the per-unit cost of the power thus produced, making it unattractive for purchase by DISCOMs. A higher PLF, on the other hand, will generate a greater total output which will reduce the cost per unit of energy generated. The higher the output, the lesser will be cost per unit. The additional energy produced would also result in an increase in revenue of the plant.
- The average Plant Load Factor (PLF) for solar power plants can vary significantly depending on factors such as location, technology, weather conditions, maintenance practices, and the design of the solar plant. Generally, PLF for solar power plants is influenced by the availability of sunlight, which can vary based on the geographical location and weather patterns.
- On average, well-designed and efficiently operated solar power plants can achieve PLFs in the range of 15% to 25%. However, some high-performing solar installations can achieve even higher PLFs, exceeding 25%.
- The trend in PLF in the solar industry has been improving over the years due to advancements in solar technology, improved design practices, better site selection, and increased experience in operation and maintenance. As technology has progressed, solar panels have become more efficient at converting sunlight into electricity, and better forecasting and monitoring systems have allowed operators to optimize their plants' performance. Additionally, the growth of solar power capacity in regions with abundant sunlight has contributed to better overall PLF figures.

4.17 Solar Irradiation

- Solar irradiance is the output of light energy from the sun that reaches the earth. It is measured in terms of the amount of sunlight that hits a square meter of a surface in one second.
- Solar irradiance is a key factor in determining the energy output of solar power plants. By understanding the local solar irradiance conditions, engineers can design solar installations to capture the maximum amount of available sunlight. It also plays a crucial role in sizing solar panels, predicting energy production, and optimizing the orientation and tilt angles of panels to achieve higher energy yields.

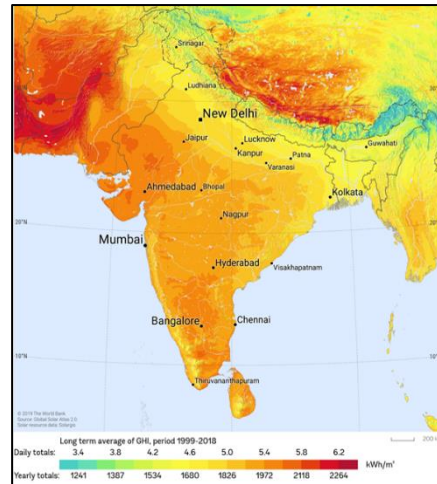
- In conclusion, solar irradiance is the foundation of solar energy generation. It's the primary resource that solar panels capture and convert into electricity. Understanding local irradiance patterns is crucial for effective solar power plant design, operation, and energy yield optimization.
- Solar irradiance is influenced by various factors, including:

Time of Day: Irradiance is highest when the sun is directly overhead (solar noon) and decreases in the morning and evening.

Season: Irradiance varies with the sun's angle in the sky, which changes with the seasons.

Geographical Location: Solar irradiance is generally higher near the equator and lower toward the poles.

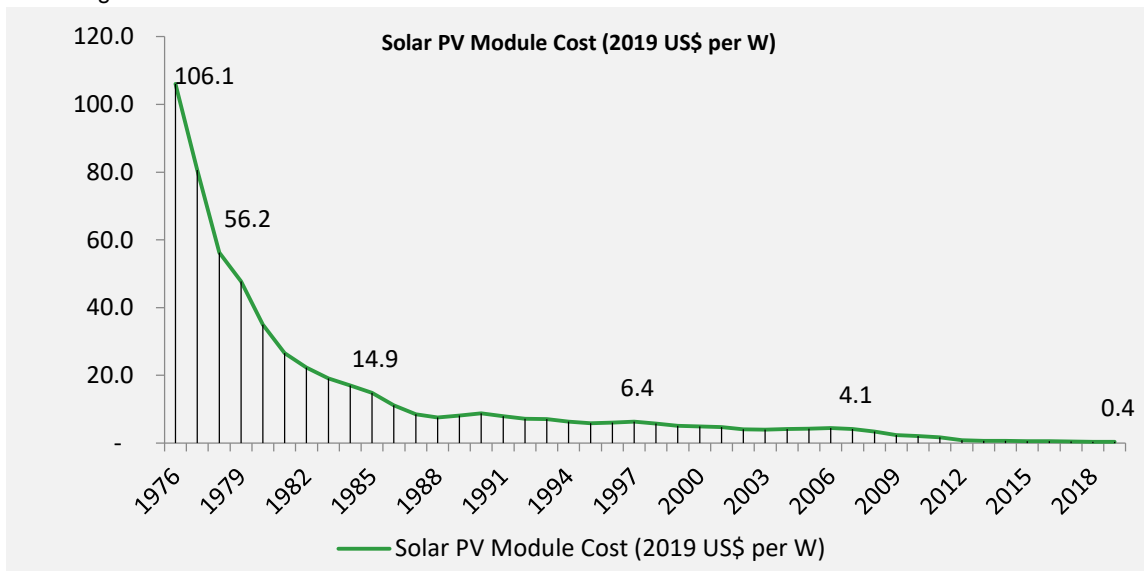
Weather Conditions: Cloud cover, air pollution, and atmospheric conditions can attenuate or scatter sunlight, affecting irradiance levels.



4.18 **Degradation**

- Solar panels convert solar radiation into electrical energy. The ability to do so declines steadily and irreversibly over time. The degradation may be in a cell or parts of a module or both. The ability to accurately predict power delivery over time is vital to assess the credit risk profile of a project. The thumb rule in the industry is 0.50% system degradation per annum. Anything higher is considered a risk to cash generating ability and, by extension, to debt servicing ability. Degradation depends on many factors such as technology, panel quality and maintenance

4.19 India's solar power tariffs are expected to touch ₹2.6-2.7 per unit due to the increase in the goods and services tax (GST) on renewable energy equipment and a proposed customs duty on imported solar modules, according to Crisil Ratings. According to a recent research report released by India Ratings, the decline in solar tariffs is being driven by (a) Advancement in panel designs enabling a higher capacity utilisation factor (CUF); (b) Lower financing costs due to declining interest rates and (c) Lower capital cost/MW of around ₹ 40million/MW due to declining Panel costs as can be seen in the below chart:



Source: ourworldindata.org

4.20 **Challenges**

- There are several challenges to overcome, including regulatory and policy inconsistencies, changes in duties, and payment delays by distribution companies (DISCOMs), among others.
- Payment disputes by DISCOMs were also rampant, slowing down any progress made by developers. The government's introduction of credit mechanisms and amendments to policies has done little in the way of negating these issues.
- A 25% Safeguard Duty (SGD) was announced on solar cell and module imports from China and Malaysia between July 30, 2018, and July 29, 2019. The duty was set at 25% for the first year, followed by a phased down approach for the second year, with the rate set to be lowered by 5% every six months until July 2020.
- Manufacturers of solar modules, ancillary products, system integrators, and raw material suppliers in the solar photovoltaic space complained that the government's protectionist policies were increasing costs for smaller local manufacturers and had loopholes.
- Tender cancellations, tariff re-negotiations by a few states had increased the uncertainty of some of the large-scale projects and hence delayed their executions.

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5. Valuation Methodology and Approach

- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 5.3. There are three generally accepted approaches to valuation:
 - (a) "Cost" approach
 - (b) "Market" approach
 - (c) "Income" approach

5.4. Cost Approach

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

5.5. Market Approach

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

5.6. Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("FCFF") or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in cash flows over the last year of forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

5.7. Conclusion on Valuation Approach

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation of companies and their assets.

The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

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Conclusion on Cost Approach

The existing book value of EV of the SPVs (Project-wise) comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the audited financial statements as at 31st March 2023 prepared as per Indian Accounting Standards (Ind AS) are as under:

SPV	Project	Book EV* (In INR Mn)	Adjusted Book EV** (In INR Mn)
MRPL	Rewa	10,579	11,272
	ISTS	10,887	11,923
ESPL	Goyalri	2,395	2,514
	SECI RJ	7,619	8,500
MSUPL	MSUPL	13,016	13,499
ASPL	ASPL	3,193	3,441
NSPL	NSPL	2,682	3,017
BREPL	BREPL	748	831
Total		51,120	54,999

* Enterprise Value (“EV”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

** Adjusted Enterprise Value of the SPVs is calculated as EV (derived as above) plus cash or cash equivalents of the SPVs as at the Valuation Date.

In the present case, the future earnings of SPVs are represented by the PPA signed by the SPVs with their respective PPA counterparties. Further, on account of such signed PPA, there are regulatory or legal restrictions to create assets of substantially the same level of utility. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the historical cost of the project. Accordingly, since the NAV does not capture the future earning potential of the business, I have not considered the cost approach for the current valuation exercise.

Conclusion on Market Approach

The present valuation exercise is to arrive at the fair EV of the SPVs engaged in the solar power generation business for a specific tenure. Further, the tariff revenue & expenses are very specific to the SPVs depending on the nature of their geographical location & stage of project.

For renewable energy projects, the challenge will likely be and is, that each solar project is unique and the added financial value of any financial or technical parameter may differ substantially. Due to the rapidly changing tariff rates and technology, two projects on two almost identical sites, with identical output, built within a month of each other but under different tariff regimes or different technology or both, could have significantly different values. Further, the analysis of the market based transactions is depended on unique factors specific to the project under consideration which is relatively unknown. Accordingly, on account of limitation on the data availability, I am unable to consider the CCM Method. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Conclusion on Income Approach

Currently, each of the SPVs are completed and are revenue generating SPVs. Majority cash flows of the SPVs for the projected period are driven by the contracts entered by the SPVs as on date like the PPA, O&M Agreements, etc. Apart from this, revenue is also generated from sale of CER Units which are earned on generation of renewable energy. Accordingly, since all the SPVs are generating income and since the Investment Manager has provided me with the financial projections of the SPVs for the balance tenor of such PPA, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

6. Valuation of the SPVs

- 6.1. I have estimated the fair EV of the SPVs using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statements of the SPVs as provided by the Investment Manager.

Valuation

- 6.2. The key assumptions of the projections provided to us by the Investment Manager are divided into two parts:
- A. Key Assumptions for cash flows dependent on the terms of the respective PPAs of the SPVs
 - B. Key Assumptions for cash flows pertaining to Certified Emission Reduction (“CER”)

A. Key Assumptions for Cash Flows dependent on the terms of PPA:

Cash Flows falling under this category are mainly driven by the revenue and operations required as per the terms of the respective SPVs PPAs, O&M Agreements, etc

- 6.3. **Revenue from Sale of electricity units:**

The revenues generated by the SPVs are correlated to the amount of electricity generated, which in turn is dependent upon available irradiance and weather conditions generally. Irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors. The total kilowatt hour units expected to be generated annually during the tenure of PPA are estimated using budgeted plant load factors based on inter-alia the forecasted irradiance and weather conditions.

The contractual tariff rates are applied to this annual estimate to determine the total estimated revenue over the term of the PPA. The Plant Load Factor (“PLF”) is the ratio of the actual output of a solar power plant over the reporting period to their potential output if it were possible for them to operate at full rated capacity.

The PLF is not the same as the availability factor. The availability factor of a power plant is the amount of time that it is able to produce electricity over a certain period, divided by the amount of the time in the period. The availability of a power plant varies greatly depending on the type of fuel, the design of the plant and how the plant is operated. The variability in the PLF is a result of seasonality, cloud covers, air pollution, and daily rotation of the earth, equipment efficiency losses, breakdown of transmission system and grid availability. Another factor that affects the PLF is the performance ratio of the plant. The performance ratio is a measure of the quality of a PV plant that is independent of location and it therefore often described as a quality factor. The performance ratio (PR) describes the relationship between the actual and theoretical energy outputs of the PV plant. The plant load factor is effective in measuring the performance of the power plants. Higher plant load factor at a plant indicates increased electricity generation. Monitoring plant load factor on real time allows the Investment Manager to respond rapidly to potential generation anomalies. Projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently uncertain and may not be consistent with actual conditions at the site. I have relied on the projections provided by the Investment Manager for projected PLF of the SPVs. I have corroborated the assumptions made by the Investment Manager in relation to the projected PLF of the SPVs with an independent technical report.

- 6.4. **Revenue in relation to the SGD Claim in case of Rewa Project, ISTS Project and SECI RJ Project:**

As informed by the Investment Manager, Rewa Project, ISTS Project and SECI RJ Project are expected to receive SGD Revenue for increase in the capital expenditure for their respective projects due to the introduction of Safeguard Duty on import of solar panels.

In relation to Rewa Project, the SPV has received the order dated 24th January 2021 from CERC and the Investment Manager has considered cash flows based on this order wherein monthly annuity payments are to be received over a period of 13 years in lieu of the claims approved.

In relation to ISTS Project and SECI RJ Project, the SPVs has filed an appeal with CERC/ the Appellate Tribunal of Electricity(New Delhi) respectively. SECI RJ has filed an appeal with the Appellate Tribunal of Electricity on 20th May 2022. Taking precedence of the Rewa Project and considering that the case is pending before CERC/ Appellate Tribunal, I have relied on the information provided by the Investment Manager wherein it has been assumed that the cash flows will start accruing from FY 26.

6.5. **Revenue in relation to the GST Annuity Claim in case of Rewa Project and MSUPL Project**

As informed by the Investment Manager, Rewa Project and MSUPL Project shall receive GST Annuities from their customers i.e. SECI for increase in the capital expenditure for the project due to the introduction of GST in case of Rewa Project and increase in the rate of GST on solar power-based devices in case of MSUPL Project which are claimed as Change in Law in terms of the respective PPA(s).

I have relied on the CERC order dated 18th November 2021 for Rewa Project in order to corroborate the cash flows in relation to GST Claim.

For MSUPL Project, the claim has been filed on 13th April 2023 and the matter is under litigation. Taking precedence of the Rewa Project and considering that the case is pending before CERC I have relied on the information provided by the Investment Manager wherein it has been assumed that the cash flows will start accruing from FY 26.

6.6. **Expenses:**

I have relied on the projections provided by the Investment Manager for expenses and have checked the reasonableness of the same, by analyzing the past trend in expenses and the expenses projected by the SPVs.

Operations & Maintenance (“O&M”): O&M expenditure is estimated by the Investment Manager for the projected period on the basis of the O&M Agreements and other cleaning charges estimated for each of the SPVs.

Solar Park Charges/ Annual Lease Payments: I understand from the Investment Manager that currently two Projects, i.e., ASPL Project and Rewa Project are located in Gujarat Solar Park and Rewa Ultra Mega Solar Park respectively. Accordingly, these projects incur costs in the form of solar park charges and lease rent which are payable based on agreement with such Solar Parks.

Insurance Expenses: I understand from the Investment Manager that the insurance expenses of the SPVs are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on insurance expenses for the projected period, which are based on the existing insurance costs of the SPVs.

Other Expenses: Other Expenses represented by the Investment Manager includes Waterless Robotic Cleaning Expenses, Inverter Maintenance Charges, Statutory Charges, Legal and Professional Expenses, Import Charges (wherever applicable), other Operating Expenses, etc. I have relied on the estimate of these expenses as provided by the Investment Manager.

6.7. **Capital Expenditure (“Capex”):** I understand that the SPVs have sourced majority of its components such as solar panels and inverters directly from multiple manufacturers with industry standard warranty and guarantee terms. I understand that the SPVs are not expected to incur any major Capex in the projected period for all the SPVs.

6.8. **Taxes and Tax Incentive:.** As per the discussions with the Investment Manager, the old provisions of Income Tax Act have been considered for ASPL, NSPL and BREPL till the same is beneficial in the form of reduced tax out flow on account of benefits of MAT under section 115JB. After the MAT credit is exhausted, these SPVs would shift to the new tax regime under section 115BAA (with a base rate of tax of 22%, surcharge of 10%). As per the discussions with the Investment Manager, the new provisions of Income Tax Act under section 115BAA have been considered for MRPL, ESPL and MSUPL.

6.9. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPVs for the projected period in terms of trade payables days and trade receivables (Debtors & Unbilled revenue) days. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of trade payables and trade receivables related to the operating revenue and expenses. The trade payables days are 0 days (of annual expenses), and trade receivables days vary between 60-180 days (of annual revenue), based on the PPA counterparty and the historical collection trends. Further, in case of NSPL, past accumulated receivable is set to be paid back by NSPL in FY24. In case of BREPL, it is assumed that past accumulated receivables will be paid back at the end of the PPA term in the absence of any specific .

6.10. **Terminal Value:** Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows till the end of the life of the asset or into perpetuity if the asset has an indefinite life. The term of the PPA is 25 years for all the SPVs. The ownership of the underlying assets (tangible assets) shall remain with the SPVs even after the expiry of PPA term. As the cash flows beyond 25 years are relatively uncertain on account of factors like degradation of panels, technology factor, tariff rate, extension of land

lease (wherever applicable), etc., the terminal period value (i.e. value on account of cash flows to be generated after the expiry of PPA period) has been considered based on the salvage value of the plant & machinery, sale of freehold land and realisation of working capital at the end of their respective PPA term of 25 years.

6.11. Impact of Ongoing Material Litigation on Valuation

As on 31st March 2023, there are ongoing litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the cases are low to medium risk and accordingly no material outflow is expected against the litigations.

B. Key Assumptions for Cash Flows pertaining to Certified Emission Reduction (“CER”):

The SPVs are also engaged in selling CER units to carbon credit traders/ end users. I understand from the Investment Manager that the SPVs other than BREPL and NSPL have received the necessary registrations / certifications. Hence revenue generated from this activity has been estimated by the Investment Manager during the projected period for all the SPVs except BREPL and NSPL. The Cash Flows under this category are driven by market forces of demand and supply.

6.12. Revenue on Sale of Certified Emission Reduction (“CER”) units: The Investment Manager has estimated the revenue from sale of CER units based on projected units generated by the SPVs from their respective Solar Plant(s), whereas the estimated selling price of CER is based on a market study provided to us by the Investment Manager. I have relied on the projections of the Investment Manager for arriving at the revenue from sale of CER.

6.13. Expenses / Capital Expenditure: I have been informed by the Investment Manager that no separate expenses or capital expenditure is expected to be incurred by the SPVs for selling the CER units earning. The general admin expenses are already considered while projecting the expenses in Para 6.6 above.

6.14. Taxes and Tax Incentive: As per the discussions with the Investment Manager, Income generated from Sale of Carbon Credit are taxable under section 115BBG of the Income Tax Act at a beneficial rate of 10% (base rate of tax).

6.15. Working Capital: The Investment Manager has represented the working capital requirement of the SPVs will be negligible. Based on the past trend, the Investment Manager has represented that income generated from the sale of CER units is typically received concurrent with the sales themselves. Therefore, for the forecasted period concerning CER Income, the Investment Manager has projected a trade receivable period of 0 days.

Calculation of Weighted Average Cost of Capital

6.16. Cost of Equity:

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPVs.

$$K(e) = R_f + (ERP * \text{Beta}) + \text{CSRP}$$

Wherein:

K(e) = cost of equity

R_f = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPVs based on the above calculation (Refer Appendix 2).

6.17. **Risk Free Rate:**

I have applied a risk free rate of return of 7.17% on the basis of the zero coupon yield curve as on 31st March 2023 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited (“CCIL”).

6.18. **Equity Risk Premium (“ERP”):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.19. **Beta:**

Beta is a measure of the sensitivity of a company’s stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPVs.

Beta for cash flows dependent on the terms of PPA:

For the valuation of the SPVs, I find it appropriate to consider the beta of NTPC Limited, NLCC and Tata Power Limited for an appropriate period.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Further I have re-levered it based on debt-equity at 70:30 based on the industry Debt: Equity ratio using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2)

Beta for cash flows pertaining to Certified Emission Reduction (“CER”):

For the purpose of determination of Ke for discounting CER Cash Flows, I find it appropriate to consider the beta of one (1) considering the risk in the absence of any comparable companies for this business activity. I have considered debt-equity at 0:100 for the cash flows pertaining to CER. Accordingly, the re-levered beta of 1 has been considered for all the SPVs for the cash flows pertaining to CER.

6.20. **Company Specific Risk Premium (“CSRP”):**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, I find it appropriate to consider 0% CSRP.

6.21. **Cost of Debt:**

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

For the current valuation exercise, pre-tax cost of debt has been considered as 8.25%, as represented by the Investment Manager.

6.22. **Weighted Average Cost of Capital (WACC):**

WACC for cash flows dependent on the terms of PPA:

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:

$$WACC = [K(d) * Debt / (Debt + Equity)] + [K(e) * (1 - Debt / (Debt + Equity))]$$

Accordingly, as per above, I have arrived at the WACC for the explicit period of the SPVs.

(Refer Appendix 2 for detailed workings).

WACC for cash flows pertaining to CER:

For the purpose of determination of WACC for discounting CER Cash Flows, I find it appropriate to consider a debt-equity of 0:100. Hence in this case WACC will be equal to the Cost of Equity calculated above.

Accordingly, as per above, I have arrived the WACC for discounting the cash flows pertaining to CER income.

(Refer Appendix 2 for detailed workings).

6.23. **Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow requires to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on Valuation Date. To discount back the projections we take in use cash accrual factor. The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Since the cash inflows and outflows occur continuously year-round, it could be inaccurate to assume that the cash proceeds are all received at the end of each year. As a compromise, mid-year discounting is integrated into DCF models to assume that FCFs are received in the middle of the annual period.

Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$$DCF = [CF_1 / (1+r)^{CAF1}] + [CF_2 / (1+r)^{CAF2}] + \dots + [CF_n / (1+r)^{CAFn}]$$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC)

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7. Valuation Conclusion

- 7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPVs.
- 7.3. Based on the above analysis, the fair EV and fair adjusted EV as on the Valuation Date of the SPVs (Project-wise) is as mentioned below:

Sr. No.	SPVs	Projects	~Projection Period (Balance Project Period)	Capacity (AC)	Fair EV* (INR Mn)	Adjusted Fair EV** (INR Mn)
1	MRPL	Rewa	~ 21 Years 9 Months	250 MW	14,203	14,896
		ISTS	~ 23 Years 7 Months	250 MW	14,513	15,549
2	ESPL	Goyalri	~ 19 Years 0 Months	60 MW	4,199	4,318
		SECI RJ	~ 23 Years 8 Months	200 MW	11,381	12,261
3	MSUPL	MSUPL	~ 24 Years 3 Months	250 MW	15,197	15,680
4	ASPL	ASPL	~ 19 Years 2 Months	65 MW	4,355	4,603
5	NSPL	NSPL	~ 19 Years 7 Months	42 MW	2,965	3,300
6	BREPL	BREPL	~ 17 Years 9 Months	10 MW	970	1,053
Total				1127 MW	67,782	71,660

* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

** Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs as the EV (derived as above) plus cash or cash equivalents of the SPVs as at the Valuation Date.

(Refer Appendix 1 & 2 for the detailed workings)

- 7.4. The fair EV of the SPVs is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 7.5. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 7.6. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 0.5%
 2. WACC by increasing / decreasing it by 1.0%
 3. PLF by increasing / decreasing it by 0.5%
 4. PLF by increasing / decreasing it by 1.0%
 5. Operating Expenses by increasing / decreasing it by 20%

Sensitivity Analysis of Enterprise Value

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

Sr. No.	SPVs	Project	WACC +0.5%*	EV	INR Mn			
					Base WACC*	EV	WACC -0.5%*	EV
1	MRPL	Rewa	9.12%	13,756	8.62%	14,203	8.12%	14,677
		ISTS	9.12%	14,028	8.62%	14,513	8.12%	15,028
2	ESPL	Goyalri	8.95%	4,075	8.45%	4,199	7.95%	4,330
		SECI RJ	8.95%	10,992	8.45%	11,381	7.95%	11,794
3	MSUPL	MSUPL	9.24%	14,681	8.74%	15,197	8.24%	15,746
4	ASPL	ASPL	8.74%	4,223	8.24%	4,355	7.74%	4,494
5	NSPL	NSPL	8.79%	2,875	8.29%	2,965	7.79%	3,061
6	BREPL	BREPL	8.91%	939	8.41%	970	7.91%	1,002
Total				65,569		67,782		70,132

*CER is discounted at a base WACC of 14.17% and similar sensitivity run is performed to the CER value which is included in total EV value shown above. Accordingly CER is discounted at 14.67% and 13.67% when WACC is increased and decreased by 0.5% respectively.

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

Sr. No.	SPVs	Project	WACC +1.0%*	EV	INR Mn			
					Base WACC*	EV	WACC -1.0%*	EV
1	MRPL	Rewa	9.62%	13,334	8.62%	14,203	7.62%	15,179
		ISTS	9.62%	13,571	8.62%	14,513	7.62%	15,577
2	ESPL	Goyalri	9.45%	3,957	8.45%	4,199	7.45%	4,468
		SECI RJ	9.45%	10,626	8.45%	11,381	7.45%	12,235
3	MSUPL	MSUPL	9.74%	14,195	8.74%	15,197	7.74%	16,331
4	ASPL	ASPL	9.24%	4,098	8.24%	4,355	7.24%	4,640
5	NSPL	NSPL	9.29%	2,790	8.29%	2,965	7.29%	3,162
6	BREPL	BREPL	9.41%	910	8.41%	970	7.41%	1,037
Total				63,481		67,782		72,629

*CER is discounted at a base WACC of 14.17% and similar sensitivity run is performed to the CER value which is included in total EV value shown above. Accordingly CER is discounted at 15.17% and 13.17% when WACC is increased and decreased by 1% respectively.

3. Fair Enterprise Valuation Range based on Plant Load Factor (PLF) parameter (0.5%)

Sr. No.	SPVs	Project	INR Mn		
			EV at PLF -0.5%	EV at Base PLF	EV at PLF +0.5%
1	MRPL	Rewa	13,780	14,203	14,626
		ISTS	14,183	14,513	14,825
2	ESPL	Goyalri	4,033	4,199	4,341
		SECI RJ	11,114	11,381	11,626
3	MSUPL	MSUPL	14,942	15,197	15,438
4	ASPL	ASPL	4,234	4,355	4,471
5	NSPL	NSPL	2,883	2,965	3,051
6	BREPL	BREPL	942	970	998
Total			66,110	67,782	69,377

4. Fair Enterprise Valuation Range based on Plant Load Factor (PLF) parameter (1.0%)

						INR Mn
Sr. No.	SPVs	Project	EV at PLF -1.0%	EV at Base PLF	EV at PLF +1.0%	
1	MRPL	Rewa	13,356	14,203	15,048	
		ISTS	13,820	14,513	15,126	
2	ESPL	Goyalri	3,837	4,199	4,470	
		SECI RJ	10,836	11,381	11,858	
3	MSUPL	MSUPL	14,660	15,197	15,671	
4	ASPL	ASPL	4,113	4,355	4,591	
5	NSPL	NSPL	2,796	2,965	3,137	
6	BREPL	BREPL	913	970	1,026	
Total			64,329	67,782	70,928	

5. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

						INR Mn
Sr. No.	SPVs	Project	EV at Expenses +20%	EV at Base Expenses	EV at Expenses -20%	
1	MRPL	Rewa	13,681	14,203	14,721	
		ISTS	14,248	14,513	14,852	
2	ESPL	Goyalri	4,068	4,199	4,334	
		SECI RJ	11,178	11,381	11,584	
3	MSUPL	MSUPL	14,893	15,197	15,501	
4	ASPL	ASPL	4,220	4,355	4,484	
5	NSPL	NSPL	2,879	2,965	3,055	
6	BREPL	BREPL	939	970	1,001	
Total			66,107	67,782	69,532	

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

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Sensitivity Analysis of Adjusted Enterprise Value

1. Adjusted Fair Enterprise Valuation Range based on WACC parameter (0.5%)

Sr. No.	SPVs	Project	WACC +0.5%*	EV	Base WACC*	EV	WACC -0.5%*	INR Mn
								EV
1	MRPL	Rewa	9.12%	14,449	8.62%	14,896	8.12%	15,370
		ISTS	9.12%	15,064	8.62%	15,549	8.12%	16,064
2	ESPL	Goyalri	8.95%	4,194	8.45%	4,318	7.95%	4,449
		SECI RJ	8.95%	11,872	8.45%	12,261	7.95%	12,675
3	MSUPL	MSUPL	9.24%	15,164	8.74%	15,680	8.24%	16,229
4	ASPL	ASPL	8.74%	4,471	8.24%	4,603	7.74%	4,742
5	NSPL	NSPL	8.79%	3,210	8.29%	3,300	7.79%	3,396
6	BREPL	BREPL	8.91%	1,022	8.41%	1,053	7.91%	1,085
Total				69,446		71,660		74,010

*CER is discounted at a base WACC of 14.17% and similar sensitivity run is performed to the CER value which is included in total EV value shown above. Accordingly CER is discounted at 14.67% and 13.67% when WACC is increased and decreased by 0.5% respectively.

2. Adjusted Fair Enterprise Valuation Range based on WACC parameter (1.0%)

Sr. No.	SPVs	Project	WACC +1.0%*	EV	Base WACC*	EV	WACC -1.0%*	INR Mn
								EV
1	MRPL	Rewa	9.62%	14,027	8.62%	14,896	7.62%	15,872
		ISTS	9.62%	14,607	8.62%	15,549	7.62%	16,613
2	ESPL	Goyalri	9.45%	4,076	8.45%	4,318	7.45%	4,587
		SECI RJ	9.45%	11,506	8.45%	12,261	7.45%	13,115
3	MSUPL	MSUPL	9.74%	14,678	8.74%	15,680	7.74%	16,814
4	ASPL	ASPL	9.24%	4,346	8.24%	4,603	7.24%	4,888
5	NSPL	NSPL	9.29%	3,125	8.29%	3,300	7.29%	3,497
6	BREPL	BREPL	9.41%	993	8.41%	1,053	7.41%	1,120
Total				67,359		71,660		76,506

*CER is discounted at a base WACC of 14.17% and similar sensitivity run is performed to the CER value which is included in total EV value shown above. Accordingly CER is discounted at 15.17% and 13.17% when WACC is increased and decreased by 1% respectively.

3. Adjusted Fair Enterprise Valuation Range based on Plant Load Factor (PLF) parameter (0.5%)

Sr. No.	SPVs	Project	EV at PLF -0.5%	EV at Base PLF	INR Mn
					EV at PLF +0.5%
1	MRPL	Rewa	14,473	14,896	15,319
		ISTS	15,219	15,549	15,861
2	ESPL	Goyalri	4,152	4,318	4,461
		SECI RJ	11,994	12,261	12,506
3	MSUPL	MSUPL	15,425	15,680	15,921
4	ASPL	ASPL	4,482	4,603	4,719
5	NSPL	NSPL	3,217	3,300	3,386
6	BREPL	BREPL	1,025	1,053	1,081
Total			69,987	71,660	73,254

4. Adjusted Fair Enterprise Valuation Range based on Plant Load Factor (PLF) parameter (1.0%)

Sr. No.	SPVs	Project	INR Mn		
			EV at PLF -1.0%	EV at Base PLF	EV at PLF +1.0%
1	MRPL	Rewa	14,049	14,896	15,741
		ISTS	14,856	15,549	16,162
2	ESPL	Goyalri	3,956	4,318	4,589
		SECI RJ	11,716	12,261	12,738
3	MSUPL	MSUPL	15,143	15,680	16,155
4	ASPL	ASPL	4,361	4,603	4,839
5	NSPL	NSPL	3,131	3,300	3,472
6	BREPL	BREPL	996	1,053	1,109
Total			68,207	71,660	74,805

5. Adjusted Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

Sr. No.	SPVs	Project	INR Mn		
			EV at Expenses +20%	EV at Base Expenses	EV at Expenses -20%
1	MRPL	Rewa	14,374	14,896	15,414
		ISTS	15,284	15,549	15,888
2	ESPL	Goyalri	4,187	4,318	4,453
		SECI RJ	12,058	12,261	12,464
3	MSUPL	MSUPL	15,376	15,680	15,984
4	ASPL	ASPL	4,469	4,603	4,732
5	NSPL	NSPL	3,214	3,300	3,390
6	BREPL	BREPL	1,022	1,053	1,084
Total			69,984	71,660	73,409

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

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8. Additional Procedures to be complied with in accordance with InvIT regulations

8.1. 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 the 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;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

8.2. Limitations

This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

8.3. Analysis of Additional Set of Disclosures for the SPVs

A. List of one-time sanctions/approvals which are obtained or pending:

The list of sanctions/ approvals obtained by the SPVs till 31st March 2023 is provided in Appendix 3.1 to Appendix 3.6. There are no applications for government sanctions/approvals required by the SPVs related to the power plants for which approval is pending as on 31st March 2023 expect in case of SECI RJ Project where an application for fire approval is pending.

B. List of up to date/ overdue periodic clearances:

The list of clearances obtained by the SPVs till 31st March 2023 is provided in Appendix 3.1 to Appendix 3.6. Investment Manager has confirmed that the SPVs are not required to take any periodic clearances other than those mentioned in Appendix 3.1 to Appendix 3.6.

C. Statement of assets included:

The details of assets of the SPVs as at 31st March 2023 are as mentioned below:

Sr. No.	SPVs	Land	Net Fixed Assets	INR Mn	
				Non-Current Assets	Current Assets
1	ESPL	620	10,008	15	1,237
2	MRPL	716	20,911	3,481	2,171
3	ASPL	-	2,894	643	458
4	NSPL	352	2,026	33	641
5	MSUPL	481	12,376	37	687
6	BREPL	38	493	-	312
Total		2,207	48,708	4,210	5,506

D. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:

I have been informed that maintenance is regularly carried out by the SPVs in order to maintain the working condition of the assets.

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPVs.

F. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of ongoing litigations and tax assessments are updated in Appendix 4 and 5 respectively.

Investment Manager has informed us that it expects majority of the cases to be settled in favour of the SPVs. Further, Investment Manager has informed us that majority of the cases are having low to medium risk and accordingly no material outflow is expected against the litigations.

Hence, I have relied on the Investment Manager with respect to the current status of the abovementioned cases. The Investment Manager has informed me that these cases are covered under indemnity provided by the erstwhile shareholders of the SPVs.

G. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control: Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

9. Sources of Information

- 9.1. For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:
- a. Audited financial statements of MRPL, MSUPL, ASPL, NSPL and BREPL for the Financial Year ("FY") ended 31st March 2020, 31st March 2021, 31st March 2022 and 31st March 2023 ;
 - b. Provisional financial statements of ESPL for the Financial Year ("FY") ended 31st March 2020, 31st March 2021, 31st March 2022 and 31st March 2023 ;
 - c. Project-wise provisional financial statements for projects under MRPL and ESPL for the Financial Year ("FY") ended 31st March 2022 and 31st March 2023
 - d. Projected financial information for the remaining project life for each of the SPVs;
 - e. Details of projected Capital Expenditure (Capex);
 - f. Details of Brought Forward Losses, Written Down Value (WDV) and MAT credit (as per Income Tax Act) of the SPVs as at 31st March 2023;
 - g. Income Tax Returns of all the SPVs for AY 2022 – 23;
 - h. Power Purchase Agreements (PPA) entered into by the SPVs with its respective customer;
 - i. Technical Due Diligence Report issue in the month of June 2023 by M/s SgurrEnergy Private Limited.
 - j. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
 - k. Management Representation Letter by the Investment Manager dated 26th September 2023;
 - l. Relevant data and information about the SPVs/ Projects provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
 - m. Information provided by leading database sources, market research reports and other published data.
- 9.2. The information provided to me by the Investment Manager in relation to the SPVs/ Project included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.
- 9.3. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.
- 9.4. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

10. Exclusions and Limitations

- 10.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 10.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st March 2023 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date; and (iii) are based on the financial information of the SPVs till 31st March 2023. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31st March 2023 and the Report Date and that no material changes have occurred in the operations and financial position between 31st March 2023 and the Report date.
- 10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 10.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 10.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 10.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 10.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for their purpose.
- 10.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.
- 10.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 10.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 10.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

- 10.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 10.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 10.15. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date, except for changes occurring due to ordinary course of business.
- 10.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 10.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 10.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 10.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.
- 10.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 10.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.
- 10.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 10.23. I have no present or planned future interest in the Trust, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPVs.
- 10.24. I have submitted the draft valuation report to the Trust & Investment Manager for confirmation of accuracy of factual data used in my analysis and to prevent any error or inaccuracy in this Report.

Limitation of Liabilities

- 10.25. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsors, the Investment Manager and the Trust will not bring any claim in respect of any damage against the RV personally.
- 10.26. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages, negligence 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, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication

by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

- 10.27. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
- 10.28. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.
- 10.29. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes

Yours faithfully,

S. Sundararaman

Registered Valuer

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

Place: Chennai

UDIN: 23028423BGYWHW9563

Appendix 1 – Valuation of SPVs as on 31st March 2023

Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
Capex	Capital Expenditure
WC	Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
DF	Discounting Factor
PV	Present value

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Appendix 1.1 – Valuation of MRPL as on 31st March 2023 – (A) Rewa Project

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	1,991	1,730	87%	-	3	-	1,727	0.50	8.62%	0.96	1,657	-	14.17%	0.94	-	1,657
FY25	1,776	1,509	85%	-	3	-	1,506	1.50	8.62%	0.88	1,330	47	14.17%	0.82	38	1,368
FY26	1,793	1,513	84%	-	3	-	1,510	2.50	8.62%	0.81	1,228	82	14.17%	0.72	59	1,287
FY27	1,809	1,523	84%	-	3	-	1,520	3.50	8.62%	0.75	1,138	87	14.17%	0.63	55	1,193
FY28	1,830	1,536	84%	-	3	-	1,533	4.50	8.62%	0.69	1,056	138	14.17%	0.55	76	1,132
FY29	1,842	1,537	83%	-	3	-	1,535	5.50	8.62%	0.63	974	101	14.17%	0.48	49	1,022
FY30	1,858	1,475	79%	-	3	169	1,303	6.50	8.62%	0.58	761	114	14.17%	0.42	48	809
FY31	1,874	1,550	83%	-	3	382	1,165	7.50	8.62%	0.54	627	118	14.17%	0.37	44	670
FY32	1,894	1,563	83%	-	3	389	1,172	8.50	8.62%	0.50	580	119	14.17%	0.32	39	619
FY33	1,905	1,564	82%	-	3	391	1,171	9.50	8.62%	0.46	534	174	14.17%	0.28	49	583
FY34	1,920	1,570	82%	-	3	393	1,174	10.50	8.62%	0.42	493	118	14.17%	0.25	29	522
FY35	1,936	1,576	81%	-	2	396	1,178	11.50	8.62%	0.39	455	118	14.17%	0.22	26	481
FY36	1,769	1,399	79%	-	1	352	1,046	12.50	8.62%	0.36	372	117	14.17%	0.19	22	394
FY37	1,755	1,378	79%	-	(1)	347	1,033	13.50	8.62%	0.33	338	117	14.17%	0.17	19	358
FY38	1,746	1,432	82%	-	(1)	360	1,073	14.50	8.62%	0.30	323	116	14.17%	0.15	17	340
FY39	1,738	1,416	82%	-	(1)	356	1,062	15.50	8.62%	0.28	295	115	14.17%	0.13	15	309
FY40	1,734	1,404	81%	-	(1)	353	1,052	16.50	8.62%	0.26	269	115	14.17%	0.11	13	282
FY41	1,720	1,372	80%	-	(1)	345	1,028	17.50	8.62%	0.24	242	114	14.17%	0.10	11	253
FY42	1,712	1,354	79%	-	(1)	341	1,014	18.50	8.62%	0.22	220	114	14.17%	0.09	10	229
FY43	1,703	1,334	78%	-	(1)	336	999	19.50	8.62%	0.20	199	113	14.17%	0.08	9	208
FY44	1,699	1,382	81%	-	(1)	348	1,035	20.50	8.62%	0.18	190	113	14.17%	0.07	7	197
FY45	1,207	978	81%	-	(80)	246	812	20.76	8.62%	0.18	146	162	14.17%	0.06	10	156
Present Value of Explicit Period Cash Flow s																14,070
Present Value of Terminal Period (Salvage)																133
Enterprise Value																14,203
(+) Closing cash or cash equivalents as at the Valuation Date																693
Adjusted Enterprise Value																14,896

Appendix 1.1 – Valuation of MRPL – ISTS Project as on 31st March 2023 – (B) ISTS Project

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	1,575	1,424	90%	-	209	-	1,215	0.50	8.62%	0.96	1,166	-	14.17%	0.94	-	1,166
FY25	1,566	1,406	90%	-	(1)	-	1,407	1.50	8.62%	0.88	1,243	116	14.17%	0.82	95	1,338
FY26	1,589	1,424	90%	-	(1)	-	1,425	2.50	8.62%	0.81	1,159	243	14.17%	0.72	175	1,334
FY27	1,672	1,500	90%	-	(1)	-	1,501	3.50	8.62%	0.75	1,124	260	14.17%	0.63	163	1,287
FY28	1,669	1,485	89%	-	(1)	-	1,486	4.50	8.62%	0.69	1,024	412	14.17%	0.55	227	1,252
FY29	1,660	1,468	88%	-	(1)	-	1,469	5.50	8.62%	0.63	932	300	14.17%	0.48	145	1,077
FY30	1,654	1,456	88%	-	(1)	167	1,290	6.50	8.62%	0.58	753	338	14.17%	0.42	143	896
FY31	1,648	1,442	87%	-	(1)	355	1,088	7.50	8.62%	0.54	585	353	14.17%	0.37	130	715
FY32	1,646	1,433	87%	-	(1)	356	1,078	8.50	8.62%	0.50	534	519	14.17%	0.32	168	702
FY33	1,635	1,414	86%	-	(1)	353	1,062	9.50	8.62%	0.46	484	354	14.17%	0.28	101	585
FY34	1,628	1,400	86%	-	(1)	351	1,050	10.50	8.62%	0.42	441	352	14.17%	0.25	88	528
FY35	1,620	1,386	86%	-	(1)	348	1,039	11.50	8.62%	0.39	401	351	14.17%	0.22	76	478
FY36	1,617	1,376	85%	-	(1)	346	1,031	12.50	8.62%	0.36	367	349	14.17%	0.19	67	433
FY37	1,605	1,359	85%	-	(1)	342	1,018	13.50	8.62%	0.33	333	348	14.17%	0.17	58	391
FY38	1,598	1,345	84%	-	(1)	338	1,008	14.50	8.62%	0.30	304	346	14.17%	0.15	51	354
FY39	1,561	1,304	84%	-	(1)	328	977	15.50	8.62%	0.28	271	344	14.17%	0.13	44	315
FY40	1,469	1,206	82%	-	(1)	303	904	16.50	8.62%	0.26	231	343	14.17%	0.11	38	269
FY41	1,458	1,188	81%	-	(1)	299	890	17.50	8.62%	0.24	209	341	14.17%	0.10	34	243
FY42	1,451	1,172	81%	-	(1)	295	878	18.50	8.62%	0.22	190	339	14.17%	0.09	29	219
FY43	1,443	1,149	80%	-	(1)	289	861	19.50	8.62%	0.20	172	338	14.17%	0.08	25	197
FY44	1,440	1,138	79%	-	(1)	286	853	20.50	8.62%	0.18	156	337	14.17%	0.07	22	179
FY45	1,429	1,119	78%	-	(1)	282	839	21.50	8.62%	0.17	142	335	14.17%	0.06	19	161
FY46	1,422	1,078	76%	-	(1)	271	808	22.50	8.62%	0.16	126	333	14.17%	0.05	17	142
FY47	445	191	43%	-	(161)	48	303	23.58	8.62%	0.14	43	349	14.17%	0.04	15	58
Present Value of Explicit Period Cash Flow s																14,321
Present Value of Terminal Period (Salvage)																192
Enterprise Value																14,513
(+) Closing cash or cash equivalents as at the Valuation Date																1,036
Adjusted Enterprise Value																15,549

Appendix 1.2 – Valuation of ESPL as on 31st March 2023 – (A) Goyalri Project

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	568	507	89%	-	3	-	505	0.50	8.45%	0.96	485	-	14.17%	0.94	-	485
FY25	564	494	88%	-	(0)	-	495	1.50	8.45%	0.89	438	23	14.17%	0.82	19	457
FY26	561	489	87%	-	(0)	-	489	2.50	8.45%	0.82	399	44	14.17%	0.72	32	431
FY27	558	483	86%	-	(0)	-	483	3.50	8.45%	0.75	364	47	14.17%	0.63	30	393
FY28	557	477	86%	-	(0)	104	374	4.50	8.45%	0.69	259	71	14.17%	0.55	39	298
FY29	552	469	85%	-	(0)	112	357	5.50	8.45%	0.64	229	54	14.17%	0.48	26	255
FY30	550	464	84%	-	(0)	113	351	6.50	8.45%	0.59	207	61	14.17%	0.42	26	233
FY31	546	457	84%	-	(1)	113	345	7.50	8.45%	0.54	188	64	14.17%	0.37	24	211
FY32	543	451	83%	-	(1)	112	340	8.50	8.45%	0.50	170	96	14.17%	0.32	31	202
FY33	536	441	82%	-	(1)	110	332	9.50	8.45%	0.46	153	64	14.17%	0.28	18	172
FY34	532	434	82%	-	(1)	109	326	10.50	8.45%	0.43	139	64	14.17%	0.25	16	155
FY35	527	426	81%	-	(1)	107	320	11.50	8.45%	0.39	126	63	14.17%	0.22	14	140
FY36	524	421	80%	-	(1)	106	316	12.50	8.45%	0.36	115	63	14.17%	0.19	12	127
FY37	518	412	80%	-	(1)	104	309	13.50	8.45%	0.33	103	63	14.17%	0.17	11	114
FY38	514	403	78%	-	(1)	101	302	14.50	8.45%	0.31	93	63	14.17%	0.15	9	102
FY39	509	396	78%	-	(1)	100	297	15.50	8.45%	0.28	84	62	14.17%	0.13	8	92
FY40	506	390	77%	-	(1)	98	293	16.50	8.45%	0.26	77	62	14.17%	0.11	7	84
FY41	500	381	76%	-	(1)	96	286	17.50	8.45%	0.24	69	62	14.17%	0.10	6	75
FY42	496	374	75%	-	(1)	94	280	18.00	8.45%	0.23	65	85	14.17%	0.09	8	73
Present Value of Explicit Period Cash Flows																4,098
Present Value of Terminal Period (Salvage)																101
Enterprise Value																4,199
(+) Closing cash or cash equivalents as at the Valuation Date																119
Adjusted Enterprise Value																4,318

Appendix 1.2 – Valuation of ESPL – SECI RJ Project as on 31st March 2023 – (B) SECI RJ Project

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	1,226	1,140	93%	-	122	-	1,018	0.50	8.45%	0.96	977	-	14.17%	0.94	-	977
FY25	1,218	1,123	92%	-	(1)	-	1,124	1.50	8.45%	0.89	995	93	14.17%	0.82	76	1,071
FY26	1,238	1,140	92%	-	(1)	-	1,141	2.50	8.45%	0.82	932	189	14.17%	0.72	136	1,067
FY27	1,309	1,206	92%	-	(1)	-	1,206	3.50	8.45%	0.75	908	202	14.17%	0.63	127	1,035
FY28	1,307	1,196	91%	-	(1)	261	936	4.50	8.45%	0.69	649	318	14.17%	0.55	175	824
FY29	1,298	1,181	91%	-	(1)	282	900	5.50	8.45%	0.64	576	233	14.17%	0.48	112	688
FY30	1,292	1,171	91%	-	(1)	286	886	6.50	8.45%	0.59	523	263	14.17%	0.42	111	634
FY31	1,286	1,160	90%	-	(1)	287	875	7.50	8.45%	0.54	476	274	14.17%	0.37	101	577
FY32	1,283	1,154	90%	-	(1)	287	868	8.50	8.45%	0.50	436	408	14.17%	0.32	132	568
FY33	1,274	1,140	89%	-	(1)	285	856	9.50	8.45%	0.46	396	275	14.17%	0.28	78	474
FY34	1,268	1,130	89%	-	(1)	283	848	10.50	8.45%	0.43	362	273	14.17%	0.25	68	430
FY35	1,262	1,121	89%	-	(1)	281	841	11.50	8.45%	0.39	331	272	14.17%	0.22	59	390
FY36	1,260	1,116	89%	-	(1)	280	836	12.50	8.45%	0.36	303	271	14.17%	0.19	52	355
FY37	1,251	1,103	88%	-	(1)	277	826	13.50	8.45%	0.33	276	270	14.17%	0.17	45	321
FY38	1,245	1,092	88%	-	(1)	275	819	14.50	8.45%	0.31	252	268	14.17%	0.15	39	292
FY39	1,214	1,059	87%	-	(1)	266	793	15.50	8.45%	0.28	226	267	14.17%	0.13	34	260
FY40	1,137	978	86%	-	(1)	246	733	16.50	8.45%	0.26	192	266	14.17%	0.11	30	222
FY41	1,128	965	86%	-	(1)	243	723	17.50	8.45%	0.24	175	265	14.17%	0.10	26	201
FY42	1,122	954	85%	-	(1)	240	715	18.50	8.45%	0.22	159	263	14.17%	0.09	23	182
FY43	1,117	933	83%	-	(1)	235	699	19.50	8.45%	0.21	144	262	14.17%	0.08	20	163
FY44	1,114	928	83%	-	(1)	234	695	20.50	8.45%	0.19	132	261	14.17%	0.07	17	149
FY45	1,106	918	83%	-	(1)	231	688	21.50	8.45%	0.17	120	260	14.17%	0.06	15	135
FY46	1,100	910	83%	-	(1)	229	682	22.50	8.45%	0.16	110	258	14.17%	0.05	13	123
FY47	741	602	81%	-	(59)	151	509	22.83	8.45%	0.16	80	292	14.17%	0.05	14	94
Present Value of Explicit Period Cash Flows																11,234
Present Value of Terminal Period (Salvage)																146
Enterprise Value																11,381
(+) Closing cash or cash equivalents as at the Valuation Date																880
Adjusted Enterprise Value																12,261

Appendix 1.3 – Valuation of MSUPL as on 31st March 2023

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	1,589	1,459	92%	-	165	-	1,294	0.50	8.74%	0.96	1,241	-	14.17%	0.94	-	1,241
FY25	1,581	1,440	91%	-	(1)	-	1,440	1.50	8.74%	0.88	1,270	119	14.17%	0.82	98	1,368
FY26	1,598	1,451	91%	-	(1)	-	1,452	2.50	8.74%	0.81	1,178	235	14.17%	0.72	169	1,346
FY27	1,659	1,508	91%	-	(1)	-	1,509	3.50	8.74%	0.75	1,125	251	14.17%	0.63	158	1,283
FY28	1,657	1,497	90%	-	(1)	-	1,498	4.50	8.74%	0.69	1,027	395	14.17%	0.55	217	1,245
FY29	1,649	1,483	90%	-	(1)	-	1,483	5.50	8.74%	0.63	935	290	14.17%	0.48	140	1,075
FY30	1,645	1,473	90%	-	(1)	-	1,474	6.50	8.74%	0.58	855	327	14.17%	0.42	138	993
FY31	1,640	1,464	89%	-	(1)	-	1,465	7.50	8.74%	0.53	781	341	14.17%	0.37	126	907
FY32	1,638	1,457	89%	-	(1)	197	1,261	8.50	8.74%	0.49	619	521	14.17%	0.32	169	788
FY33	1,631	1,444	89%	-	(1)	356	1,089	9.50	8.74%	0.45	491	343	14.17%	0.28	97	589
FY34	1,626	1,435	88%	-	(1)	357	1,079	10.50	8.74%	0.41	448	341	14.17%	0.25	85	533
FY35	1,621	1,427	88%	-	(1)	356	1,071	11.50	8.74%	0.38	409	340	14.17%	0.22	74	483
FY36	1,620	1,421	88%	-	(1)	356	1,066	12.50	8.74%	0.35	374	339	14.17%	0.19	65	438
FY37	1,610	1,406	87%	-	(1)	353	1,054	13.50	8.74%	0.32	340	338	14.17%	0.17	56	396
FY38	1,604	1,394	87%	-	(1)	350	1,045	14.50	8.74%	0.30	310	336	14.17%	0.15	49	359
FY39	1,576	1,361	86%	-	(1)	342	1,020	15.50	8.74%	0.27	278	335	14.17%	0.13	43	321
FY40	1,508	1,288	85%	-	(1)	324	965	16.50	8.74%	0.25	242	334	14.17%	0.11	37	280
FY41	1,498	1,273	85%	-	(1)	320	954	17.50	8.74%	0.23	220	333	14.17%	0.10	33	253
FY42	1,492	1,262	85%	-	(1)	317	945	18.50	8.74%	0.21	201	331	14.17%	0.09	28	229
FY43	1,486	1,241	84%	-	(1)	312	930	19.50	8.74%	0.20	181	330	14.17%	0.08	25	206
FY44	1,484	1,231	83%	-	(1)	310	922	20.50	8.74%	0.18	165	329	14.17%	0.07	22	187
FY45	1,474	1,215	82%	-	(1)	306	910	21.50	8.74%	0.16	150	327	14.17%	0.06	19	169
FY46	1,468	1,199	82%	-	(1)	302	898	22.50	8.74%	0.15	136	326	14.17%	0.05	17	153
FY47	1,462	1,180	81%	-	(1)	297	884	23.50	8.74%	0.14	123	325	14.17%	0.04	14	138
FY48	399	321	80%	-	23	81	217	24.25	8.74%	0.13	28	237	14.17%	0.04	10	38
Present Value of Explicit Period Cash Flow s																15,016
Present Value of Terminal Period (Salvage)																181
Enterprise Value																15,197
(+) Closing cash or cash equivalents as at the Valuation Date																483
Adjusted Enterprise Value																15,680

Appendix 1.4 – Valuation of ASPL as on 31st March 2023

Cash flows pertaining to Sale of Electricity												Cash flows pertaining to CER				INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows	Net CER Cash Flows	WACC	DF	PV of Cash Flows	Total PV of Cash Flows
A												B				A+B
FY24	601	528	88%	-	6	66	456	0.50	8.24%	0.96	439	-	14.17%	0.94	-	439
FY25	596	521	87%	-	(1)	65	458	1.50	8.24%	0.89	406	20	14.17%	0.82	17	423
FY26	594	517	87%	-	(1)	64	454	2.50	8.24%	0.82	373	43	14.17%	0.72	31	403
FY27	591	512	87%	-	(1)	63	450	3.50	8.24%	0.76	341	46	14.17%	0.63	29	370
FY28	589	507	86%	-	(1)	62	446	4.50	8.24%	0.70	313	73	14.17%	0.55	40	353
FY29	585	500	86%	-	(1)	61	440	5.50	8.24%	0.65	285	53	14.17%	0.48	26	310
FY30	582	495	85%	-	(1)	60	436	6.50	8.24%	0.60	261	60	14.17%	0.42	25	286
FY31	579	489	85%	-	(1)	59	431	7.50	8.24%	0.55	238	62	14.17%	0.37	23	261
FY32	578	485	84%	-	(1)	58	428	8.50	8.24%	0.51	218	92	14.17%	0.32	30	248
FY33	573	477	83%	-	(1)	131	347	9.50	8.24%	0.47	164	63	14.17%	0.28	18	181
FY34	570	471	83%	-	(1)	137	335	10.50	8.24%	0.44	146	62	14.17%	0.25	15	161
FY35	567	465	82%	-	(1)	136	331	11.50	8.24%	0.40	133	62	14.17%	0.22	13	147
FY36	566	461	81%	-	(1)	134	328	12.50	8.24%	0.37	122	62	14.17%	0.19	12	134
FY37	562	453	81%	-	(1)	132	322	13.50	8.24%	0.34	111	61	14.17%	0.17	10	121
FY38	559	445	80%	-	(1)	130	317	14.50	8.24%	0.32	100	61	14.17%	0.15	9	109
FY39	556	439	79%	-	(1)	128	312	15.50	8.24%	0.29	91	61	14.17%	0.13	8	99
FY40	555	434	78%	-	(1)	126	309	16.50	8.24%	0.27	84	61	14.17%	0.11	7	90
FY41	551	426	77%	-	(1)	124	303	17.50	8.24%	0.25	76	60	14.17%	0.10	6	82
FY42	548	425	78%	-	(1)	124	302	18.50	8.24%	0.23	70	60	14.17%	0.09	5	75
FY43	92	55	60%	-	-	15	40	19.07	8.24%	0.22	9	39	14.17%	0.08	3	12
Present Value of Explicit Period Cash Flows																4,305
Present Value of Terminal Period (Salvage)																49
Enterprise Value																4,355
(+ Closing cash or cash equivalents as at the Valuation Date)																248
Adjusted Enterprise Value																4,603

Appendix 1.5 – Valuation of NSPL as on 31st March 2023

											INR Mn
Cash flows pertaining to Sale of Electricity											
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows
FY24	393	350	89%	-	(189)	43	496	0.50	8.29%	0.96	477
FY25	390	344	88%	-	(0)	42	302	1.50	8.29%	0.89	268
FY26	388	340	88%	-	(0)	41	299	2.50	8.29%	0.82	245
FY27	386	336	87%	-	(0)	41	296	3.50	8.29%	0.76	224
FY28	385	333	87%	-	(0)	40	294	4.50	8.29%	0.70	205
FY29	382	328	86%	-	(0)	39	289	5.50	8.29%	0.65	187
FY30	380	324	85%	-	(0)	39	286	6.50	8.29%	0.60	170
FY31	378	320	85%	-	(0)	38	283	7.50	8.29%	0.55	156
FY32	377	317	84%	-	(0)	37	280	8.50	8.29%	0.51	142
FY33	375	312	83%	-	(0)	39	274	9.50	8.29%	0.47	128
FY34	373	307	82%	-	(0)	89	218	10.50	8.29%	0.43	95
FY35	371	303	82%	-	(0)	88	215	11.50	8.29%	0.40	86
FY36	370	299	81%	-	(0)	75	224	12.50	8.29%	0.37	83
FY37	367	294	80%	-	(0)	74	220	13.50	8.29%	0.34	75
FY38	365	289	79%	-	(0)	73	217	14.50	8.29%	0.32	68
FY39	363	283	78%	-	(0)	71	212	15.50	8.29%	0.29	62
FY40	363	280	77%	-	(0)	70	210	16.50	8.29%	0.27	56
FY41	360	274	76%	-	(0)	69	206	17.50	8.29%	0.25	51
FY42	358	269	75%	-	(0)	68	202	18.50	8.29%	0.23	46
FY43	179	128	71%	-	(44)	32	140	19.75	8.29%	0.21	29
Present Value of Explicit Period Cash Flows											2,855
Present Value of Terminal Period (Salvage)											110
Enterprise Value											2,965
(+) Closing cash or cash equivalents as at the Valuation Date											335
Adjusted Enterprise Value											3,300

Appendix 1.6 – Valuation of BREPL as on 31st March 2023

											INR Mn
Cash flows pertaining to Sale of Electricity											
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cash Flows
FY24	135	118	88%	-	(9)	15	112	0.50	8.41%	0.96	107
FY25	138	120	87%	-	2	15	103	1.50	8.41%	0.89	91
FY26	140	121	87%	-	1	16	105	2.50	8.41%	0.82	86
FY27	139	120	86%	-	(0)	15	105	3.50	8.41%	0.75	79
FY28	139	119	86%	-	(0)	15	104	4.50	8.41%	0.70	73
FY29	138	117	85%	-	(0)	15	103	5.50	8.41%	0.64	66
FY30	137	116	85%	-	(0)	15	101	6.50	8.41%	0.59	60
FY31	136	114	84%	-	(0)	17	98	7.50	8.41%	0.55	53
FY32	136	113	83%	-	(0)	28	85	8.50	8.41%	0.50	43
FY33	135	111	82%	-	(0)	28	84	9.50	8.41%	0.46	39
FY34	134	110	82%	-	(0)	28	82	10.50	8.41%	0.43	35
FY35	134	108	81%	-	(0)	27	81	11.50	8.41%	0.40	32
FY36	133	107	80%	-	(0)	27	80	12.50	8.41%	0.36	29
FY37	132	105	79%	-	(0)	26	79	13.50	8.41%	0.34	26
FY38	132	103	78%	-	(0)	26	77	14.50	8.41%	0.31	24
FY39	131	101	77%	-	(0)	25	76	15.50	8.41%	0.29	22
FY40	131	100	76%	-	(0)	25	75	16.50	8.41%	0.26	20
FY41	93	69	74%	-	(34)	13	90	17.50	8.41%	0.24	22
Present Value of Explicit Period Cash Flow s											907
Present Value of Terminal Period (Salvage)											63
Enterprise Value											970
(+) Closing cash or cash equivalents as at the Valuation Date											83
Adjusted Enterprise Value											1,053

Appendix 2.1 – Weighted Average Cost of Capital of the SPVs as on 31st March 2023

Particulars	MRPL		ESPL		MSUPL	ASPL	NSPL	BREPL	Remarks
	Rewa	ISTS	Goyalri	SECI RJ					
Risk Free Rate (Rf)	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	7.17%	Risk Free Rate has been considered based on zero coupon yield curve as at 31 st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	Based on the historical realized returns on equity investments over a risk free rate of as represented by 10 year government bonds, a 7% equity risk premium is considered appropriate for India.
Beta (relevered)	0.84	0.84	0.82	0.82	0.85	0.80	0.80	0.82	Beta has been considered based on the beta of companies operating in the similar kind of business in India.
Base Cost of Equity	13.02%	13.02%	12.91%	12.91%	13.10%	12.77%	12.80%	12.88%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Risk Premium/ Discount Specific to the SPVs
Adjusted Cost of Equity (Ke)	13.02%	13.02%	12.91%	12.91%	13.10%	12.77%	12.80%	12.88%	Adjusted Ke = Rf + (β x ERP) + CSRP
Pre-tax Cost of Debt	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	8.25%	As represented by the Investment Manager
Effective tax rate of SPV	18.32%	18.32%	20.73%	20.73%	16.67%	23.73%	23.04%	21.29%	Average tax rate for the life of the SPVs have been considered
Post-tax Cost of Debt	6.74%	6.74%	6.54%	6.54%	6.87%	6.29%	6.35%	6.49%	Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)
Debt/(Debt+Equity)	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	70.00%	The debt - equity ratio computed as [D/(D+E)] is considered as 70% as per industry standard.
WACC Adopted	8.62%	8.62%	8.45%	8.45%	8.74%	8.24%	8.29%	8.41%	WACC = [Ke*(1-D/(D+E))]+[Kd*(1-t)*(D/(D+E))]

Appendix 2.2 – Weighted Average Cost of Capital for CER Income as on 31st March 2023

Particulars	CER	Remarks
Risk Free Rate (Rf)	7.17%	Risk Free Rate has been considered based on zero coupon yield curve as at 31 st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	Based on the historical realized returns on equity investments over a risk free rate of as represented by 10 year government bonds, a 7% equity risk premium is considered appropriate for India.
Beta (relevered)	1.00	Beta has been considered based on the beta of companies operating in the similar kind of business in India.
Base Cost of Equity	14.17%	Base $K_e = R_f + (\beta \times ERP)$
Company Specific Risk Premium (CSRP)	0.00%	Risk Premium/ Discount Specific to the CER
Adjusted Cost of Equity (Ke)	14.17%	Adjusted $K_e = R_f + (\beta \times ERP) + CSRP$
Pre-tax Cost of Debt	NA	As represented by the Investment Manager
Effective tax rate of SPV	11.44%	Average tax rate applicable for CER has been considered
Post-tax Cost of Debt	0.00%	Effective cost of debt. $K_d = \text{Pre-tax } K_d \times (1 - \text{Effective Tax Rate})$
Debt/(Debt+Equity)	0.00%	The debt - equity ratio computed as $[D/(D+E)]$ is considered as 0% as per industry standard.
WACC Adopted	14.17%	$WACC = [K_e \times (1 - D/(D+E))] + [K_d \times (1 - t) \times (D/(D+E))]$

Appendix 3.1 – MRPL: Summary of approvals and licences (1/4)

Note for all SPVs: As informed to me by the Investment Manager, due to change in government regulations and classification of Solar Power Plants as white category industries, the SPVs no longer require to apply/ reapply for “Consent to Establish” or “Consent to Operate” approvals.

ISTS Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Statutory Approvals			
1	Allotment of Importer - Exporter Code Number	01-02-2018	Ministry of commerce and industry
2	Registration of 250 MW power project under SECI	01-08-2019	Rajasthan Renewable Energy Corporation Ltd
3	Certificate of Registration under Contract Labour Act, 1970	09-09-2019	Government of Rajasthan- Department of Labour
4	Industrial Entrepreneur Memorandum	04-02-2020	Ministry of commerce and industry
5	Certificate of registration under building and other construction act, 1996	06-03-2020	Government of Rajasthan
6	Intimation Regarding CTO and CTE	06-01-2021	Rajasthan State Pollution Control Board
7	Certificate of Registration under Contract Labour Act, 1970	01-02-2021	Government of Rajasthan- Department of Labour
8	License to work a factory	01-09-2021	Government of Rajasthan
9	Certificate of Registration under Contract Labour Act, 1970	22-02-2022	Government of Rajasthan- Department of Labour
10	Implementation of the E.S.I Act, 1948 & Registration of the Factories and Establishments unde Sec 2(12) of the Act, as amended.	09-02-2023	Employee's State Insurance Corporation
11	Fire No Objection Certificate renewed	22-02-2023	Jodhpur Municipal Corporation
Power Evacuation Related Approvals			
12	Grant of stage-1 connectivity to MSPL Baap	05-09-2018	Power Grid Corporation of India Ltd.
13	Grant of stage-2 connectivity to MSPL Baap	28-09-2018	Power Grid Corporation of India Ltd.
14	Transmission Agreement with CTU	24-10-2018	Power Grid Corporation of India Ltd.
15	Intimation of LTA of 250MW Rewa Project.	17-01-2019	Power Grid Corporation of India Ltd.
16	Agreement for Long Term Access	13-02-2019	Power Grid Corporation of India Ltd.
17	Transmission Service Agreement with CTU	13-02-2019	Power Grid Corporation of India Ltd.
18	Consultancy Agreement for bay implementation	25-06-2019	Power Grid Corporation of India Ltd.
19	Revision of stage-2 connectivity to MSPL Baap	04-07-2019	Power Grid Corporation of India Ltd.
20	CEA approval for transmission connectivity scheme	25-07-2019	Central Electricity Authority
21	Supplementary Agreement to Transmission Agreement	19-08-2019	Power Grid Corporation of India Ltd.
22	Approval to route of high tension electricity line	24-09-2020	Bharat Sanchar Nigam Ltd.
23	CEA approval under section 164 of Electricity Act	24-11-2020	Central Electricity Authority
24	Agreement for use of circuit towers	16-12-2020	Adani Renewable energy holding one ltd.
25	Connection offer for connection of 250MW of MSPL Solar Power Plant	18-12-2020	Power Grid Corporation of India Ltd.
26	Connection Agreement b/w CTU and the Applicant	31-12-2020	Power Grid Corporation of India Ltd.
27	Operationalization of Long term access granted to MSPL	12-08-2021	Central Transmission Utility of India Ltd.
28	Certificate of operationalization of 250MW solar plant	27-10-2021	Central Transmission Utility of India Ltd.
29	Supplementary Agreement to Long Term Access	31-03-2023	-
30	Supplementary Agreement to Transmission Agreement	31-03-2023	-

Source: Investment Manager

Appendix 3.1 – MRPL: Summary of approvals and licences (2/4)

ISTS Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Project Related Approvals			
31	NOC by Gram Panchayat	10-11-2019	Gram Panchayat Ghatore
32	Notice to SECI on Early COD	23-09-2020	
33	Partial Discharge of Bank Guarantee issued on Behalf of Mahindra Renewables Pvt Ltd.	21-01-2021	Solar Energy Corporation of India Ltd.
34	Approval for energisation of Transmission line of MRPL- 100MW	29-01-2021	Central Electricity Authority
35	Approval for energisation of Transmission line of MRPL- 50MW	09-07-2021	Central Electricity Authority
36	Approval for energisation of Transmission line of MRPL- 62.5MW	09-07-2021	Central Electricity Authority
37	Approval for factory building drawings	10-08-2021	Government of Rajasthan- Factories and Boilers Inspection Department
38	Provisional Approval for energisation of Transmission line of MRPL- 35.5MW	13-08-2021	Central Electricity Authority
39	Discharge of Bank Guarantee issued on Behalf of Mahindra Renewables Pvt Ltd.	21-09-2021	Solar Energy Corporation of India Ltd.
40	Certificate of Building Stability	27-09-2021	J.N. Associates- Competent person under Factory Act & Rules.
41	O&M contract for Bay Maintenance	N/A	Power Grid Corporation of India Ltd.
42	Revision of Scheduled Commissioning Date	01-10-2021	Solar Energy Corporation of India Ltd.
Commissioning Related Approvals			
43	Partial Commissioning Certificate - 100MW	14-05-2021	Solar Energy Corporation of India Ltd
44	Partial Commissioning Certificate - 60MW	08-06-2021	Solar Energy Corporation of India Ltd
45	Partial Commissioning Certificate - 50MW	24-07-2021	Solar Energy Corporation of India Ltd
46	Partial Commissioning Certificate - 40MW	17-08-2021	Solar Energy Corporation of India Ltd

Source: Investment Manager

Appendix 3.1 – MRPL: Summary of approvals and licences (3/4)

Rewa Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Commissioning Related			
	Certificate From Independent Engineer		
1	Certificate of electrical inspector for part commissioning of plant- 5.1 MW	05-07-2018	National Institute of Solar Energy
2	Certificate of electrical inspector for part commissioning of plant- 35.7MW	31-08-2018	National Institute of Solar Energy
3	Certificate of electrical inspector for part commissioning of plant- 100MW	28-03-2019	National Institute of Solar Energy
4	Certificate of electrical inspector for part commissioning of plant- 94.2MW	09-07-2019	National Institute of Solar Energy
5	Certificate of electrical inspector for part commissioning of plant- 15MW	02-01-2020	National Institute of Solar Energy
Safety approvals under CEA regulations			
6	Safety approvals under CEA regulations, 2010 for 5.1MW	21-05-2018	GOI- Central Electricity Authority
7	Provisional Safety approvals under CEA regulations, 2010 for 35MW	13-08-2018	GOI- Central Electricity Authority
8	Provisional Safety approvals under CEA regulations, 2010 for 100MW	14-12-2018	GOI- Central Electricity Authority
9	Provisional Safety approvals under CEA regulations, 2010 for 94MW	17-05-2019	GOI- Central Electricity Authority
10	Safety approvals under CEA regulations, 2010 for 16MW	11-11-2019	GOI- Central Electricity Authority
11	Periodic Inspection of Existing Electrical Installations	13-07-2020	GOI- Central Electricity Authority
Commissioning Certificates			
12	Commissioning Certificate- 15MW	02-01-2018	Rewa Ultra Meja Solar Ltd
13	Commissioning Certificate- 5.1MW	05-07-2018	Rewa Ultra Meja Solar Ltd
14	Commissioning Certificate- 35.7MW	06-09-2018	Rewa Ultra Meja Solar Ltd
15	Commissioning Certificate- 100MW	04-04-2019	Rewa Ultra Meja Solar Ltd
16	Commissioning Certificate- 94.2MW	09-07-2019	Rewa Ultra Meja Solar Ltd
17	SCOD Letter- Final	30-03-2020	Rewa Ultra Meja Solar Ltd
Power Evacuation Related			
18	Intimation for Grant of Connectivity	29-07-2016	Power Grid Corporation of India Ltd
19	Connection Details of RUMS Ltd. to the inter-state Transmission Grid.	03-05-2018	Power Grid Corporation of India Ltd
20	Transmission Agreement with CTU	08-05-2018	Power Grid Corporation of India Ltd
21	Regarding Operationalization of LTA of 750MW Rewa Project.	23-08-2018	Rewa Ultra Meja Solar Ltd

Source: Investment Manager

Appendix 3.1 – MRPL: Summary of approvals and licences (4/4)

Rewa Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Project Related			
22	Afformentioned Notification by CPCB	07-03-2016	Central Pollution Control Board
23	Clarification in the matter of Revised Categorization of the Industrial Sector	18-01-2017	Central Pollution Control Board
24	Notification that the project is white category	20-01-2017	Madhya Pradesh Pollution Control Board
25	Letter of Award for development of Unit 1 in RUMSL	21-02-2017	Rewa Ultra Mega Solar Ltd.
26	Coordination Agreement B/w the SPV, Discoms and other Counterparties	17-04-2017	-
27	Implementation Support Agreement RUMSL & SPD	-	-
28	Intimation Regarding CTO and CTE	12-10-2017	-
29	Industrial Entrepreneur Memorandum	01-01-2018	Ministry of commerce and industry
30	Acknowledgement of fulfillment of condition subsequent by Unit 1 of RUMSL i.e. Rewa.	15-03-2018	Rewa Ultra Meja Solar Ltd
31	Registration of the SPV by WRLDC	17-05-2018	-
32	Approval by Fire Authority	01-10-2020	Directorate of Urban Administration & Development MP
33	Approval of Grant of Consent for the transfer/ assignement/ novation of all rights & obligations of Mahindra Renewables Private Ltd.	15-10-2020	Arinsun Clean Energy Pvt Ltd.
34	Approval of Grant of Consent for the transfer/ assignement/ novation of all rights & obligations of Mahindra Renewables Private Ltd.	16-10-2020	ACME Jaipur Solar Power Private Ltd.
35	StandBy Letter of Credit / Bank Guarantee	31-08-2021	MP Power Management Company Limited
36	StandBy Letter of Credit / Bank Guarantee	27-05-2022	Delhi Metro Rail Corporation Ltd.
37	Fire Safety Certificate	16-01-2023	Office of Rewa Collector/ Fire Officer
Statutory			
38	Approval by GramSabha	07-05-2015	Gram Panchayat Badwar
39	Certificate of registration under building and other construction act, 1996	26-10-2018	Government of Madhya Pradesh
40	Certificate of registration under Contract Labour MP rules, 1973	27-10-2018	Government of Madhya Pradesh
41	License to work a factory	29-11-2018	Government of Madhya Pradesh
42	Notice of Opening Mahindra Renewable Rewa	01-04-2019	Mahindra Renewables Private Limited
43	Certificate of Registration under The Contract Labour M.P. Rules, 1973	05-01-2021	Government of Madhya Pradesh
44	License under Contract Labour MP Rules, 1973	28-12-2021	Government of Madhya Pradesh
45	License to work a factory	11-11-2022	Government of Madhya Pradesh
46	Implementation of the E.S.I Act, 1948 & Registration of the Factories and Establishments unde Sec 2(12) of the Act, as amended.	09-02-2023	Employee's State Insurance Corporation
47	Certificate of Registration (Amended) under Labour M.P. Labour Departement	28-03-2023	Government of Madhya Pradesh

Source: Investment Manager

Appendix 3.2 – ESPL: Summary of approvals and licences (1/2)

Goyalri Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Commissioning Related			
1	Commissioning Certificate	31-03-2017	National Thermal Power Corporation Ltd
Power evacuation Related			
2	Approval for construction of Bay	03-07-2014	Rajasthan Rajya Vidyut Prashashan Nigam Ltd
3	Approval to lay transmission line u/s 68 of electricity act, 2003	29-03-2016	Government of Rajasthan - Energy Department
4	Transmission Agreement b/w SPD and STU i.e. RRVPNL (Rajasthan Rajya Vidyut Prasaran Nigam Ltd)	N.A	Rajasthan Rajya Vidyut Prashashan Nigam Ltd
Project Related			
5	Approval of providing connectivity to plant	21-09-2015	Rajasthan Rajya Vidyut Prashashan Nigam Ltd
6	Registration of 60 MW power plant	26-09-2016	Rajasthan Renewable Energy Corporation Ltd
7	Approval of Power Evacuation Plan for setting up Solar power project	11-11-2016	Rajasthan Renewable Energy Corporation Ltd
8	NOC GramPanchayat	18-01-2017	Grampanchayat Chani
9	Clarification in the matter of Revised Categorization of the Industrial Sector	18-01-2017	Central Pollution Control Board
10	Intimation Regarding Consent to operate (CTO) & Consent to establish (CTE)	14-02-2017	Rajasthan state Pollution Control Board
11	Approval to route of high tension power/telecom line	05-02-2018	Bharat Sanchar Nigam Ltd.
12	Approval to lay transmission line	27-02-2018	Ministry of Road Transport & Highways
Statutory Approvals			
13	Registration under section 7 of the Contract Labour Act, 1970	26-10-2016	Government of Rajasthan - Department of labour
14	Certificate of registration under section 7 of the building and other construction act, 1996	30-01-2017	Government of Rajasthan
15	Power and Telecommunication Co-ordination Committee (PTCC) Clearance	06-03-2017	Rajasthan Rajya Vidyut Prashashan Nigam Ltd
16	Permission under regulation 43 of the CEA Regulations 2010 for Energisation of Installation for 30 MW	10-03-2017	Government of Rajasthan - Office of the Electrical inspector
17	Permission under regulation 43 of the CEA Regulations 2010 for Energisation of Installation for 30 MW	23-03-2017	Government of Rajasthan - Office of the Electrical inspector
18	Industrial Entrepreneur Memorandum - Part I	05-05-2017	Ministry of commerce and industry
19	Industrial Entrepreneur Memorandum - Part II	22-08-2017	Ministry of commerce and industry
20	License to work a factory	25-10-2018	Government of Rajasthan
21	Application of Fire NOC from Mahindra Susem to Municipal Corporation, Bikaner.	02-07-2021	-
22	Request to Deposit Re-Development Charges to RREDF	08-10-2021	Rajasthan Renewable Energy Corporation Ltd
23	License to work a factory	07-02-2022	Government of Rajasthan
24	Application to approve holding excess land beyond ceiling limit	07-05-2022	Revenue Department

Source: Investment Manager

Appendix 3.2 – ESPL: Summary of approvals and licences (2/2)

SECI RJ Project

Sr. No.	Approvals	Date of Issue	Issuing Authority
Commissioning Related			
1	Extension in due date of financial closure	19-05-2020	Solar Energy Corporation of India
2	Extension in due date of financial closure	07-09-2020	Solar Energy Corporation of India
3	Consent for procurement of Solar power from early part commissioning	26-02-2021	Rajasthan Urja Vikas Nigam Ltd
4	Extension for Land Acquisition and SCOD due to 2nd surge of COVID	30-09-2021	Solar Energy Corporation of India
5	Commissioning Certificate along with Minutes of Meeting of Commissioning Committee.	14-10-2021	Solar Energy Corporation of India
6	Commercial Operation Date Certificate of Solar PV Project	18-10-2021	Solar Energy Corporation of India
Power Evacuation Related			
7	Approval of power evacuation plan	07-01-2020	Rajasthan Rajya Viduyat Prasaran Nigam Ltd
8	Approval u/s 68 of the Electricity Act, 2003 for laying overhead transmission line.	26-11-2020	Government of Rajasthan
9	Approval of approach section of transmission line	15-12-2020	Rajasthan Rajya Viduyat Prashashan Nigam Ltd
10	Connection Agreement b/w STU and MSPL	21-01-2021	Rajasthan Rajya Viduyat Prashashan Nigam Ltd
11	Approval to route of extra high tension power line	25-06-2021	Bharat Sanchar Nigam Ltd.
Project Related			
12	Registration of the project selected through bidding conducted by SECI.	16-10-2019	Rajasthan Renewable Energy Corporation Ltd
13	Provisional for permission of overhead highway crossing of 220 KV overhead line.	20-05-2021	National Highways Authority of India
14	Permission under regulation 43 of the CEA regulation 2021 for energisation of electrical installation.	08-09-2021	Government of Rajasthan- Electrical Inspector
15	Permission under regulation 43 of the CEA regulation 2021 for energisation of electrical installation.	22-09-2021	Government of Rajasthan- Electrical Inspector
16	Approval to purchase generated power before SCOD	27-10-2021	Rajasthan Urja Vikas Nigam Ltd
Statutory Approvals			
17	Certificate of Importer exporter code	14-01-2011	Foreign Trade Development Officer
18	Certificate of registration under Building and other Construction Work Act, 1996	06-10-2020	Government of Rajasthan
19	Certificate of registration under Contract Labour(Regulation and Aboilation) Act,1970	06-10-2020	Government of Rajasthan- Department of labour
20	Industrial Entrepreneur Memorandum	24-02-2021	Ministry of commerce and industry
21	Partial Discharge of Bank Guarantee	03-03-2021	Solar Energy Corporation of India
22	Connectivity Report	06-10-2021	Rajasthan Urja Vikas Nigam Limited
23	Intimation Letter wrt Land Arrangement	01-11-2021	Solar Energy Corporation of India
24	Discharge of Bank Guarantee	11-11-2021	Solar Energy Corporation of India
25	Certificate of Registration under contract labour act, 1970	19-02-2022	Department of Labour
26	Registration and license to work a factory	04-03-2022	Government of Rajasthan
27	No Objection Certificate for Mining	09-03-2022	Mines and Geology Department
28	Intimation Regardig "Consent to Establish" and "Consent to Operate"	09-03-2022	Rajasthan State Pollution Control Board
29	Approval for widening and strenghtning of existing Bikaner-Pahalodi section	02-11-2022	National Highways Authority of India
30	Certificate of registration under Contract Labour(Regulation and Aboilation) Act,1970	20-01-2023	Government of Rajasthan- Department of labour

Source: Investment Manager

Appendix 3.3 – MSUPL: Summary of approvals and licences (1/2)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Commissioning Related			
1	MSPL to furnish a connectivity Bank Guarantee as notified by CERC in favour of CTU i.e. POWERGRID amounting to 50 Mn	27-11-2019	-
2	MSPL to furnish a connectivity Bank Guarantee as notified by CERC in favour of CTU i.e. POWERGRID amounting to 125 Mn	06-02-2020	-
3	Registration of 250 MW Solar PV Power Project under Rajasthan Solar Energy Policy, 2019. of MSUPL	05-07-2021	Rajasthan Renewable Energy Corporation Limited
4	Amendment to MSPL to furnish a connectivity Bank Guarantee as notified by CERC in favour of CTU i.e. POWERGRID amounting to 50 Mn	24-12-2021	-
5	Part Commissioning of the Solar Power Project (175MW/250MW)	20-05-2022	Solar Energy corporation of India
6	Extension in SCOD due to delay in Operationalization of LTA of the Project.	13-06-2022	Solar Energy corporation of India
7	Final Commissioning of the Solar Power Project (75MW/250MW)	17-06-2022	Solar Energy corporation of India
8	Revision of Scheduled Commissioning date due to delay in LTA Operationalization.	29-06-2022	Solar Energy corporation of India
Power Evacuation Related			
9	Transmission Service Agreement	13-02-2019	-
10	Application for grant of LTA of MSPL	01-08-2019	Central Electricity Regulatory Commission
11	Submission of LTA Application of MSPL	06-08-2019	PowerGrid Corporation of India
12	Grant of Stage-1 Connectivity to MSUPL	07-10-2019	PowerGrid Corporation of India
13	Grant of 250 MW LTA to Mahindra Susten Pvt Ltd for its power project.	29-10-2019	PowerGrid Corporation of India
14	Grant of Stage-2 Connectivity to MSUPL	29-10-2019	PowerGrid Corporation of India
15	Agreement of long term access with system strengthening b/w CTU and MSPL	26-11-2019	-
16	Transmission Agreement for connectivity b/w CTU and MSPL	26-11-2019	-
17	Revision to Intimation for Stage-ii Connectivity for 250MW to MSPL	09-01-2020	PowerGrid Corporation of India
18	Revision to Intimation for Stage-ii Connectivity for 250MW to MSPL	08-12-2020	PowerGrid Corporation of India
19	Revision to the earlier intimation for grant of 250 MW Long Term Access to M/s Mahindra Susten Pvt. Ltd.	16-12-2020	PowerGrid Corporation of India
20	CEA approval for transmission connectivity scheme	-	Central Electricity Authority
21	Adoption of Tariff for the SPV connected to the Inter - State Transmission System (ISTS)	25-01-2021	Central Electricity Regulatory Commission
22	SECI has entered into PSA with the HPPC for sale of 250MW Power.	07-05-2021	Haryana Power Purchase Centre
23	Revision to Intimation for Stage-ii Connectivity for 250MW to MSPL	19-05-2021	PowerGrid Corporation of India
24	Approval to route of high tension electricity line	25-02-2022	Bharat Sanchar Nigam Ltd
25	Effectiveness of LTA granted to MSPL for transfer of power from its Solar power project.	27-06-2022	Central Transmission Utility of India

Source: Investment Manager

Appendix 3.3 – MSUPL: Summary of approvals and licences (2/2)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Statutory Related			
26	Allotment of Importer - Exporter Code Number	19-05-2021	Ministry of Commerce & Industry
27	Industrial Entrepreneur Memorandum	29-06-2021	Ministry of Commerce & Industry
28	Amendment to Industrial Entrepreneur Memorandum	17-08-2021	Ministry of Commerce & Industry
29	Supplementary agreement of LTA	31-08-2021	Central Transmission Utility of India
30	Certificate of Registration under Contract Labour Act, 1970	31-08-2021	Government of Rajasthan - Department of Labour
31	Grant License under Contract Labour Act, 1970	08-02-2022	Government of Rajasthan - Department of Labour
32	Certificate of registration under building and other construction act, 1996	08-02-2022	Government of Rajasthan
33	License of contract labour of MSUPL	20-04-2022	Government of Rajasthan
34	Fire NOC for the 250 MW Solar PV Project at Village Seora & Dadu ka Gaon, Tehsil Kolayat, District Bikaner.	20-06-2022	Government of Rajasthan
35	Certificate of Registration under Contract Labour Act, 1970	20-01-2023	Government of Madhya Pradesh
36	Implementation of the E.S.I. Act, 1948 and Registration of Employees of the Factories and Establishments under Section 2(12) of the Act, as amended	07-02-2023	Employee's State Insurance Corporation
37	Allotment of Code Number to establishment M/s Mega Suryaurja Private Ltd. under Employees' Provident Fund and Miscellaneous Provisions Act, 1952.	07-02-2023	Employee's Provident Fund
38	License to work a factory	16-03-2023	Government of Madhya Pradesh
Project Related			
39	Regarding Delay in execution of PPA	24-01-2020	Solar Energy corporation of India
40	Submission for claiming Force Majeure Event i.e. Coronavirus pandemic.	26-06-2020	Solar Energy corporation of India
41	Request for extension of LTA of MSPL due to execution delay caused by Coronavirus pandemic.	17-07-2020	Solar Energy corporation of India
42	Intimation regarding CTE & CTO for 250MW Solar PV project by MSUPL	09-03-2022	Rajasthan Pollution Control Board
43	Approval for energisation of Electrical Installation - 50MW	22-04-2022	Central Electricity Authority
44	Approval for energisation of Electrical Installation - 125MW	29-04-2022	Central Electricity Authority
45	Approval for energisation of Electrical Installation - 75MW	12-06-2022	Central Electricity Authority
Others			
46	Intimation letter w.r.t. Compliance of Financial Agreements and Land Agreements of MSUPL	10-01-2022	Solar Energy corporation of India
47	Intimation letter w.r.t. Compliance of Land agreements as per clause 15 of RfS of MSUPL	20-05-2022	Solar Energy corporation of India
48	Intimation to SECI of change of land location of the SPV	25-08-2022	-

Source: Investment Manager

Appendix 3.4 – ASPL: Summary of approvals and licences (1/3)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Power Evacuation Related			
1	MoU B/w ASPL & GETCO for O&M of ASPL Line at 66KV Charanka Station of GETCO for the peri	28-02-2017	Gujarat Energy Transmission Corporation Ltd
2	Letter from GETCO of Final Connectivity Permission 40MW	02-03-2017	Gujarat Energy Transmission Corporation Ltd
3	Letter from GETCO of Final Connectivity Permission 25MW	02-03-2017	Gujarat Energy Transmission Corporation Ltd
4	40 MW CEI route Approval (drawing)	24-03-2017	Chief Electrical Inspector, Gandhinagar
5	40 MW Laying GETCO Approval	24-03-2017	Chief Electrical Inspector, Gandhinagar
6	40 MW route SLD Approval	24-03-2017	Chief Electrical Inspector, Gandhinagar
7	CEIG gave GETCO Cable Route Approval-25MW	24-03-2017	Chief Electrical Inspector, Gandhinagar
8	CEIG gave GETCO Cable Route Approval-40MW	24-03-2017	Chief Electrical Inspector, Gandhinagar
9	Initial inspection of installation of 66KV	28-03-2017	Chief Electrical Inspector, Gandhinagar
10	CEIG Approval under Regulation 43 (Safety Approvals)	28-03-2017	Chief Electrical Inspector, Government of Telangana
11	Joint meter reading report 40 MW	31-03-2017	Gujarat Energy Transmission Corporation Ltd
12	Synchronisation Certificate 40 MW	31-03-2017	Gujarat Energy Transmission Corporation Ltd
13	Connectivity Report	31-03-2017	Gujarat Energy Transmission Corporation Ltd
14	Installation Report	31-03-2017	Gujarat Energy Transmission Corporation Ltd
15	Initial inspection of installation of 1 X 31.5 MVA 66/33 KV Transformer along with equipments for 25	08-05-2017	Chief Electrical Inspector, Gandhinagar
16	Finished Construction of Line Bay (25)	18-05-2017	Gujarat Energy Transmission Corporation Ltd
17	Grid connectivity of the Project (25)	23-05-2017	Gujarat Energy Transmission Corporation Ltd
Commissioning Related			
18	Request for Approval of Drawings for Array Yard (25MW)	24-01-2017	
19	Request for Approval of Drawings for Array Yard (40MW)	24-01-2017	
20	Request for Approval of Drawings for Switch Yard (25MW)	24-01-2017	
21	Request for Approval of Drawings for Switch Yard (40MW)	24-01-2017	
22	Request for CEIG Approval of drawings of 40 MW plant	13-02-2017	
23	Initial inspection of installation of 2X25/31.5 MW	20-03-2017	Chief Electrical Inspector, Gandhinagar
24	Initial inspection of electrical installations of 52MW Solar power plant	21-03-2017	Chief Electrical Inspector, Gandhinagar
25	CEIG Approval of drawings of 25 MW plant	04-05-2017	Chief Electrical Inspector
26	Joint meter reading report 40 MW	02-06-2017	Solar Energy Corporation of India
27	Synchronisation Certificate 40 MW	02-06-2017	Gujarat Energy Transmission Corporation Ltd
28	Commissioning Certificate (40W) 31-03-2017	12-06-2017	Gujarat Energy Development Agency.
29	Commissioning Certificate (25W) 02-06-2017	23-06-2017	Gujarat Energy Development Agency.

Source: Investment Manager

Appendix 3.4 – ASPL: Summary of approvals and licences (2/3)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Warranty Related			
31	Limited Warranty for PV modules	28-03-2016	Hanwha Solar
32	Module Supply Agreement between Mahindra Susten Private Limited (Buyer) and Canadian Solar I	02-09-2016	
33	Module Supply Agreement between Mahindra Susten Private Limited (Buyer) and Hanwha Q Cells (07-09-2016	
34	Agreement for Sale and Purchase of Solar Photovoltaic Inverters between Mhindra Susten Private L	22-12-2016	
35	Warranty Confirmation Letterr	09-03-2017	Canadian Solar International Ltd
36	Warranty Extension upto 30.3.23 (40MW)	28-04-2017	SMA Solar Technology AG
37	Guarantee Certificate	21-07-2017	Pragati Electricals Pvt ltd
38	Warranty Extension upto 30.7.23 (25MW)	06-03-2018	SMA Solar Technology AG
39	Warranty certificate for supply of truckers	19-02-2020	MSPPL
40	Warranty Transfer Letter (25MW)	17-03-2021	SMA Solar Technology AG
41	Warranty Transfer Letter (Inverter Components)	07-04-2021	Danish Pvt Ltd
42	Warranty Transfer Letter (Inverter Components)	08-04-2021	CG Power & Industrial Solutions Ltd
43	Warranty Transfer Letter	08-04-2021	Canadian Solar International Ltd.
44	Site Registration Confirmation	09-04-2021	First Solar Global Customer Support Service
45	Declaration letter for Warranty Transfer	09-04-2021	Trina Solar Co. Ltd
46	Warranty Transfer Letter	20-04-2021	Hanwha Q cells
47	Warranty Transfer Letter	28-04-2021	First Solar FE Holdings pte. Ltd
48	Warranty Transfer Letter (40MW)	29-04-2021	SMA Solar Technology AG
49	Product warranty insurance	NA	PICC Property and Casulty Company limited
Statutory Approvals			
50	Certificate of Incorporation - Astra	14-10-2015	Ministry of Corporate Affairs
51	Allotment of Importer Exporter Code	11-01-2016	Ministry of Commerce and Industry
52	ASPL Shop & Establishment Certificate	18-01-2016	Brihanmumbai Municipal Corporation
53	Vat Provisional Certificate	26-10-2016	Gujarart Commercial Tax
54	CST Provisional Certificate	27-10-2016	Gujarat Commercial Tax
55	License to work a Factory	01-04-2017	Directorate Indsutrial Safety and Health
56	Provisional Certificate GST	26-06-2017	Government of India and Government of Gujarat
57	Provisional Certificate GST	28-06-2017	Government of India and Government of Maharashtra
58	Renewal of License	30-03-2021	Ministry of Commerce and Industry
59	Gujarat Fire Prevention and Life Safety Measures Rules Amendment	08-07-2021	Government of Gujarat
60	Fire Safety Certificate	15-07-2021	Regional Fire Officer
61	Stability certificate of Astara Solren	20-12-2022	JAS Associate
62	Allotment of Labour Certificate	09-01-2023	Employee Provident Fund
63	Astra Shop & Establishment License	16-01-2023	Brihanmumbai Municipal Corporation
64	Factory license of ASPL	19-01-2023	Directorate Indsutrial Safety and Health
65	Notice of Opening-Astra	02-03-2023	

Source: Investment Manager

Appendix 3.4 – ASPL: Summary of approvals and licences (3/3)

Sr. No.	Approvals	Date of Issue	Issuing Authority
	Project Related		
66	Final Document on Revised Classification of Industrial Sector under red, orange, green and white	12-04-2016	Gujarat Pollution Control Board
67	VGF Securitisation Agreement 40MW	04-08-2016	
68	VGF Securitisation Agreement 25MW	29-08-2016	
69	Consent to Establish and Consolidated Consent and Authorisation	20-09-2016	Regional Officer
70	Registration for setting up Solar Ground Mounted project	26-09-2016	Gujarat energy development agency
71	Labour license registration Certificate	15-10-2016	Assistant Labour Commissioner, Palanpur
72	Labour License Renewal	10-11-2016	Assistant Labour Commissioner, Palanpur
73	Acknowledgement Memorandum of Electrical power generation using solar energy of Manufacture	01-12-2016	Directorate Industrial Safety and Health
74	GETCO'S O&M Connection-Agreement of 25MW	28-02-2017	Gujarat Energy Transmission Corporation Ltd
75	GETCO'S O&M Connection-Agreement of 40 MW	28-02-2017	Gujarat Energy Transmission Corporation Ltd
76	Memorandum intimating commencement of commercial production of products	18-08-2017	Ministry of Commerce and Industry
77	Certificate of Stability	19-12-2017	Patel Enterprise
78	ASPL'S Factory Licence Registration Certificate	09-03-2018	Gujarat Energy Transmission Corporation Ltd
79	Discharge of Bank Guarantee	16-10-2018	Solar Energy Corporation of India
80	License for doing the work of skilled manpower operation and maintenance of Solar Park House	22-06-2020	Solar Energy Corporation of India
81	The Contract Labour (Regulation And Abolition) (Gujarat Amendment) Ordinance, 2020	20-07-2020	Labour and Employment Department, GOG
82	Astra Solar Registration Certificate Andheri	07.02.2020	Brihanmumbai Municipal Corporation

Source: Investment Manager

Appendix 3.5 – NSPL: Summary of approvals and licences (1/2)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Statutory Approvals			
1	Importer Exporter Code Certificate	24-06-2016	Ministry of Commerce & Industry
2	Certificate of withdrawal of ground water permission granted	06-07-2017	Government of Telegana - Groundwater Department
3	Department of Town and Country Planning (DTPC) approval certificate and technical clearance	22-02-2020	Government of Telegana
4	License to work as a factory II	29-01-2021	Government of Telegana
5	License to work as a factory I	29-01-2021	Government of Telegana
6	Renewal of license of Operation and Maintenance	12-10-2022	Government of Telegana
7	Implementation of the E.S.I Act, 1948 & Registration of the Factories and Establishments under Sec 2(12) of the Act, as amended.	28-12-2022	Employees and state Insurance corporation (Hyderabad)
8	Allotment of Code number under Employees Provident Fund and Miscellaneous Provisions Act, 1952	28-12-2022	Employees Provident Fund-Body under the Ministry of Labour and Employment
9	Certificate of Registration of Contract Labour Act after amendment	10-04-2023	Government of Telegana
10	Labour license of erection and commissioning of solar power plant after amendment	24-05-2023	Government of Telegana
Power Evacuation Related			
11	Sanction of estimates for Transmission line & Bay Extension works for executing 42MW Solar PP at 132 KV	22-04-2016	Transmission Corporation of Telangana Ltd
12	Approval of proposed route of 42MW Solar project	28-10-2016	Transmission Corporation of Telangana Ltd
13	Intimation to deposit Engineering charges and spare costs	06-12-2016	Transmission Corporation of Telangana Ltd
14	Submission of undertaking & Demand Draft for evacuation scheme approval & sanction of estimates for Transmission line & Bay extension for 42MW SPP	21-12-2016	
15	Approval of proposal for 132 KV line & bay extensions along with metering bay works at 220/132 KV	15-02-2017	Transmission Corporation of Telangana Ltd
16	Approval of Drawings and GTPs of 132kv and 33kv C&R panels and SAS	04-03-2017	Transmission Corporation of Telangana Ltd
17	Approval of profile along with tower schedule from Loc No. 1-11 including Gantries	07-03-2017	Transmission Corporation of Telangana Ltd
18	Approval of Drawings and GTPs of 132kV CVTs	16-03-2017	Transmission Corporation of Telangana Ltd
19	Approval of Drawings and GTPs of OPGW Cable and Hardware accessories	07-04-2017	Transmission Corporation of Telangana Ltd
20	Approval of data requirement sheets and specification of approach cable	08-05-2017	Transmission Corporation of Telangana Ltd
21	The GTPS & Drawings of 132kV Metering CTs received for erection of subject work approved with certain modification mentioned in the drawings.	10-05-2017	Transmission Corporation of Telangana Ltd
22	Calibration certificate Current transformer	06-06-2017	Ganga Calibration Services Private Limited
23	Calibration certificate Voltage transformer	06-06-2017	Ganga Calibration Services Private Limited
24	Approval of design under Section 54 of The Electricity Act and Central Electrical Authority Regulations	20-06-2017	Government of Telegana - Electrical Inspector
25	ABT meter Calibration certificate	24-06-2017	Ganga Calibration Services Private Limited
26	Statutory Approval Under Regulation 32 of CEA (Measures Relating to Safety and Electric Supply), Regulations 2010- 42MW AC PV Solar Power Plant	19-07-2017	Government of Telegana - Electrical Inspector
27	Approval of Electrical Installation and Energisation under Electricity Act and Central Electrical Authority Regulations	19-07-2017	Government of Telegana - Electrical Inspector
28	Power Quality test report of NSPL	18-03-2018	Yathva Energy Solution Pvt. Ltd.
29	Approval for energisation of proposed route	17-11-2018	Bharat Sanchar Nigam Limited

Source: Investment Manager

Appendix 3.5 – NSPL: Summary of approvals and licences (2/2)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Project Related			
30	No objection letter for fire clearance	09-02-2016	Telangana state disaster response and fire services (Hyderabad)
31	Industrial Entrepreneur Memorandum I	02-09-2016	Government of India-Ministry of Commerce & Industry
32	Module supply framework agreement b/w First Solar FE Holdings PTE Ltd and SPD	13-02-2017	-
33	License of erection and commissioning of solar plant under Contract Labour Act	29-04-2017	Government of Telegana - Labour Department
34	Intimation regarding CTE 42MW solar PV power plant of NSPL	05-06-2017	Telegana state pollution control board
35	Payment receipt of drawings approval and industry department user charges	16-06-2017	Government of Telegana
36	Ground water approval	06-07-2017	Government of Telegana - Groundwater Department
37	Submission of Cess Demand Draft against BOCW Act, 1996	05-10-2017	Telangana Building & Other Construction Workers Welfare Board
38	COD declaration of 42MW solar PV power plant of NSPL	08-11-2017	Northern Power Distribution Company of Telangana Ltd, Transmission Corporation of Telangana Ltd
39	Industrial Entrepreneur Memorandum II	01-01-2018	Government of India-Ministry of Commerce & Industry
40	No objection letter for conversion to Non-Agricultural land	21-03-2018	Gram panchayat Jalalpuram
41	Renewal of License of erection and commissioning of solar plant of NSPL	16-04-2018	Government of Telegana - Labour Department
42	Renewal of License of erection and commissioning of solar plant of NSPL	21-05-2019	Government of Telegana - Labour Department
43	Certificate of registration of contract labour (max 150 labour)	30-07-2020	Government of Telegana - Labour Department
44	Approval of plan under Factories Act,1948 I	14-10-2020	Government of Telegana - Factories Department
45	Approval of plan under Factories Act,1948 II	20-10-2020	Government of Telegana - Factories Department
46	Payment of land development charges	18-05-2021	Government of Telegana
47	Registration of Borewell in NSPL, Waddekothapally	25-05-2021	Sarpanch, Gram Panchayat
Commissioning related			
48	SLDC clearance for 42 MW of Solar project	21-09-2017	Transmission Corporation of Telangana Ltd
49	Synchronization to the grid of 33MW	13-10-2017	Northern Power Distribution Company of Telangana Ltd, Transmission Corporation of Telangana Ltd
50	Synchronization to the grid of 5MW	26-10-2017	Northern Power Distribution Company of Telangana Ltd, Transmission Corporation of Telangana Ltd
51	Synchronization to the grid of 4MW	06-11-2017	Northern Power Distribution Company of Telangana Ltd, Transmission Corporation of Telangana Ltd
52	Commercial Operation Date for NSPL	14-12-2017	Northern Power Distribution Company of Telangana Ltd.

Source: Investment Manager

Appendix 3.6 – BREPL: Summary of approvals and licences (1/1)

Sr. No.	Approvals	Date of Issue	Issuing Authority
Commissioning Related			
1	Safety Clearance Certificate	09-12-2015	Government of Andra Pradesh-Chief Electrical Inspector
2	Solar Commissioning Certificate	09-12-2015	Government of Andra Pradesh-Chief Electrical Inspector
3	Synchronization of Solar power plant to the grid	26-12-2015	Southern Power Distribution Company of A.P Limited
4	Handing over of the plant and commencement of O&M	21-04-2016	Mahindra Susten Private Limited
5	SPV permitted to declare COD	27-04-2016	Southern Power Distribution Company of A.P Limited
6	Handing over of the project	03-10-2016	Brightsolar Renewable Energy Private Limited
7	Work Completion Certificate	04-12-2015	Tranmission Corporation of Andra Pradesh Limited
Power Evacuation Related			
8	Consent to erect DCOH Line to evacuate power	07-10-2015	Southern Power Distribution Company of A.P Limited
9	Sanction for erection tranmission line	19-10-2015	Southern Power Distribution Company of A.P Limited
10	Approval to power evacuation drawings	04-09-2015	Transmission corporation of Andhra Pradesh Ltd
11	Approval of erection of bay extension	08-09-2015	Transmission corporation of Andhra Pradesh Ltd
12	Approval by CEA for installation of Voltage Equipment	09-12-2015	Government of Andra Pradesh- Electrical Inspectorate
13	Estimate for evacuation of power	15-12-2015	Southern Power Distribution Company of A.P Limited
14	Synchronization of Solar power plant with the grid	26-12-2015	Southern Power Distribution Company of A.P Limited
15	Request for issuance of COD	31-03-2016	Brightsolar Renewable Energy Private Limited
16	Implementation of SCADA	16-04-2016	Andra Pradesh Power Coordination Committee
17	Provision opf H.T Metering arrangements at site	06-09-2016	Southern Power Distribution Company of A.P Limited
Project Related Approvals			
18	Registration as per Andhra Pradesh Solar Power Policy-2015	26-10-2015	New & Renewable Energy Development Corporation of Andhra Pradesh Ltd
19	Approval to Factory Plans	26-11-2015	Government of Andhra Pradesh- Factory Department
20	Approval of GramPanchayat	08-12-2015	Basavanapalli Gram Panchayat
21	License to work a factory	19-12-2015	Office of Inspector of Factories
22	Return of Performance Bank Guarantee	20-06-2016	Southern Power Distribution Company of A.P Limited
23	Return of Additional Bank Guarantee	29-06-2017	Southern Power Distribution Company of A.P Limited
24	NOC request to enter into Share Purchase Agreement	22-07-2021	Brightsolar Renewable Energy Private Limited
25	Approval to enter into Share Purchase Agreement	27-07-2021	Kotak Infrastructure Debt Fund Ltd
26	Submission of annual fee for renewal of Factory License	12-12-2022	Brightsolar Renewable Energy Private Limited
Warranty Related			
27	Assignment of warranty by MSPL to BREPL	09-04-2021	TrinaSolar
Statutory Approvals			
28	Certificate of Importer-Exporter Code	29-01-2015	Government of India(Ministry of Commerce and Industry)
29	Allotment of Importer-Exporter Code Number letter	23-07-2015	Government of India(Ministry of Commerce and Industry)
30	Certificate of Registration of Establishment	21-09-2015	Government of Andhra Pradesh Labour Department
31	Industrial Entrepreneurs Memorandum Section	02-09-2016	Government of India
32	Memorandum Intimating Commencement of Commercial Production	23-09-2016	Ministry of Commerce and Industry
33	Factory License Renewal	02-12-2021	Government of Andhra Pradesh Factory Department
34	Certificate of Registration of Establishment Form C	30-03-2023	Government of Andhra Pradesh Labour Department
35	Allotment of Code Number under Employees Provident Fund	02-06-2023	Employees Provident Fund

Source: Investment Manager

Appendix 4 – Summary of Ongoing Litigations (1/3)

Sr. No	SPV	Initiated by	Against	Pending Before	Details of the case
1	MRPL	MRPL	Central Electricity Regulatory Commission & others	Appellate Tribunal for Electricity, New Delhi.	<p>Background of the case: CERC through its Order directed MRPL, along with other solar power developers, to execute fresh power purchase agreement for the purpose of</p> <p>(i) drawing power either from the distribution licensee of the relevant state or with any other entity through an open access or;</p> <p>(ii) for procuring power during the non-generation hours or during the shutdown period. In the current appeal, MRPL had sought appropriate order/direction to set aside the observations made by the CERC in the impugned Order.</p> <p>The appeal has been filed by MRPL before the Tribunal under section 111(1) and section 111(2), read with section 120 of the Electricity Act, 2003, in order to challenge the legality, propriety and correctness of the order dated April 25, 2022 (“Order”) passed by the CERC.</p> <p>Current Status: The matter is currently pending.</p>
2	MRPL	MRPL	Solar Energy Corporation of India Ltd. (SECI)	Central Electricity Regulatory Commission	<p>Background of the case: MRPL had</p> <p>(i) sought issuance of appropriate directions or declarations from CERC stating that the imposition of safeguard duty on the import of solar cells (including solar cells which are assembled in modules or panels) vide notification no. 2/2020-Customs (SG) dated July 29, 2020 issued by the Department of Revenue, Ministry of Finance is an event of ‘change in law’;</p> <p>(ii) sought issuance of appropriate directions to declare and allow MRPL to claim additional cost of Rs. 88,30,19,737 (i.e. sum of Rs. 80,82,11,871 paid as safeguard duty to the Government plus the carrying cost calculated at the rate of 10.41% totalling to Rs. 7,48,07,866 considered from the date of payment to the date of COD) on account of the change in law event, i.e. imposition of safeguard duty by the Ministry of Finance vide its notification dated 29.07.2020;</p> <p>(iii) also sought approval of the quantum and mechanism of compensation (along with interest) as per the methodology provided by CERC vide its order dated August 20, 2021 in petition no. 536/MP/2020.</p> <p>Current Status: The matter is currently pending.</p>
3	MRPL	MRPL	Labour Officer, Labour Department	Madhya Pradesh High Court	<p>Background of the case: Labour department raised demand of BOCW cess at the rate of 1% (one percent) on total contract price on INR 12,44,00,00,000 (Indian Rupees One Thousand Two Hundred Forty Four Crores), instead on only construction cost, BOCW on which at the rate of 1% (one percent) amounts to INR 34,95,328 (Indian Rupees Thirty Four Lakhs Ninety Five Thousand Three Hundred Twenty Eight). MRPL made appeal to the Appellate Authority (resting with Additional Labour Commissioner), by paying fees at the rate of 1% (one percent) of total demand i.e. INR 12,44,000 (Indian Rupees Twelve Lakhs Forty Four Thousand). Appellate Authority asked to pay 25% (twenty five percent) of total demand as a pre-deposit for accepting the Appeal. MRPL, subsequently filed Writ Petition before the Madhya Pradesh High Court asking for relief on two fronts:</p> <p>(1) Waiver as to pre-deposit at the rate of 25% (twenty five percent) of total demand.</p> <p>(2) Consider BOCW cess at the rate of 1% (one percent) on construction cost.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix 4 – Summary of Ongoing Litigations (2/3)

Sr. No	SPV	Initiated by	Against	Pending Before	Details of the case
4	MRPL	Gajara Kanwar	MRPL	Rajasthan High Court	<p>Background of the case: Title related dispute – Claiming ownership based on a mutation record of 1970. Earlier petitions of the petitioner in SDM Bap, RAA Jodhpur and Revenue Board, Ajmer courts were rejected. Subsequently petitioner approached the Rajasthan High Court for similar matter, which was listed before Hon'ble Rajasthan High Court Jodhpur on 05.12.2022 and the Hon'ble court was pleased to dismiss the said writ petition vide order dated 05.12.2022. Hon'ble High Court has further directed the Trial Court i.e SDM, Baap to decide the suit. within six months.</p> <p>Current Status: The matter is yet to be listed before SDM, BAAP. The appeal pending before RAA, Jodhpur was dismissed on 24th May, 2023.</p>
5	MSPL Sponsor	MSPL Sponsor	Rajasthan Electricity Regulatory Commission	Appellate Tribunal for Electricity, New Delhi.	<p>Background of the case: An Order has been passed by the RERC where, Solar Energy Corporation of India Limited ("SECI") and Rajasthan Rajya Vidyut Utpadan Nigam Limited ("RUVNL") had denied MSPL Sponsor's claim for imposition of safeguard duty due to change in law as per the Ministry of Finance notification dated July 29, 2020. An appeal has been filed before the Tribunal under section 111(1) and section 111(2) of the Electricity Act, 2003, read with article 12 of the power purchase agreement dated January 15, 2020. Under the current appeal, the MSPL Sponsor has sought declaration towards imposition of safeguard duty under the MoF Notification as a 'change in law' event and has further sought compensation on accounts of such change in law event, in order to be resituated to the same economic position as if no change in law event had occurred.</p> <p>Current Status: NDOH is not decided yet. This matter will be taken up along with the appeals in the matter of Fortum and Sitara.</p>
6	MSPL Sponsor	MSPL Sponsor	Ajit Bhagwan Kulkarni	Bombay High Court	<p>Background of the case: An anticipatory bail application was filed by Ajit Kulkarni ("Accused"), who is an accused in the FIR registered at Worli Police Station by MSPL. MSPL had a requirement for certain premises and paid INR 57,87,688 (Indian Rupees Fifty-Seven Lakhs Eighty-Seven Thousand Six Hundred Eighty-Eight) to the Accused as deposit. It was agreed to register the agreement but the same was done by MSPL basis some false representations made by the Accused. Hence, FIR was registered by MSPL against Accused for Cheating and Criminal Breach of Trust.</p> <p>Current Status: The matter is currently pending.</p>
7	MSUPL	MSUPL	Solar Energy Corporation of India Ltd. (SECI)	Central Electricity Regulatory Commission	<p>Background of the case: The petition has been filed before CERC under section 79(1)(b) read with section 79(1)(f) of the Electricity Act, 2003, in relation to the power purchase agreement dated May 31, 2020 entered into between MSUPL and SECI. MSUPL had sought an order from CERC which (i) approves the occurrence of a 'change in law' event; and (ii) provides relief to compensate for the increase in capital cost due to promulgation of notification no. 08/2021 – integrated tax (rate) dated September 30, 2021 issued by the Ministry of Finance due to which the rate of GST applicable on solar power-based devices was increased.</p> <p>Current Status: The matter is currently pending.</p>

Source: Investment Manager

Appendix 4 – Summary of Ongoing Litigations (3/3)

Sr. No	SPV	Initiated by	Against	Pending Before	Details of the case
8	MSUPL	Bhanwar Singh	Gulab Chand and Others including MSUPL	Adj Court - Bikaner.	<p>Background of the case: Title related dispute - Petitioner has claimed (a) to have executed an unregistered agreement to sale in January 2016 with previous landowners; and (b) paid an advance amount of INR 40,00,000 (Indian Rupees Forty Lakhs) for purchase of land parcels within 60 (sixty) days of such agreement. Petitioner has now filed petition with ADJ Court, Bikaner requesting to cancel the sale deeds executed by previous landowners.</p> <p>Current Status: MSUPL has filed its reply and an application under Order 7 Rule 11 CPC (for rejection of the plaint). The plaintiff has filed its reply to the Order 7 Rule 11 application filed by us. The next date of hearing is 5th September 2023.</p>
9	NSPL	NSPL	Telangana State Northern Power Distribution Company Limited (TSNPDCL) & another	Telangana State Electricity Regulatory Commission	<p>Background of the case: Petition filed before TSERC seeking payment of outstanding dues by Northern Power Distribution Company of Telangana Limited in terms of the invoices raised by NSPL along with the late payment surcharge and directions to open of letter of credit.</p> <p>Current Status: The Petition has been allowed by the Hon'ble TSERC vide Order dated 8 August 2022.</p>
10	BREPL	BREPL	Telangana State Southern Power Distribution Company Limited (TSSPDCL)	Andhra Pradesh Electricity Regulatory Commission	<p>Background of the case: Petition filed before APERC seeking issuance of appropriate order(s)/ directions to Southern Power Distribution Company of Andhra Pradesh Limited ("APSPDCL") for (a) payment of outstanding dues in terms of the invoices raised by BREPL; (b) late payment surcharge; (c) opening of Letter of Credit; (d) payment for generation loss due to curtailment of power; and (e) challenging APSPDCL's letter for installation of excess PV modules than installed capacity as per PPA.</p> <p>Current Status: SA working on strategy to recover amount, Most likely to file 142 petition.</p>

Source: Investment Manager

Appendix 5 – Summary of Tax Notices

Direct Tax							
Sr. No.	SPV Name	Statue	Assessment Year	Authority	Order Date	Amount involved (INR Mn)	Remarks
1	MSPL	Income Tax	2012-13	Asst. Commissioner of Income Tax	28-03-2016	27.56	Assessing Officer raised demand based on receipts shown in 26AS without considering reconciliation submitted by us.
2	MSPL	Income Tax	2013-14	Asst. Commissioner of Income Tax	29-12-2016	NIL	Disallowance of Interest expenditure, share issue expenditure resulting in total disallowance of INR 8,22,144
3	MRPL	Income Tax	2014-15	Asst. Commissioner of Income Tax	31-03-2022	NA	Disallowances of Interest expenses resulting in Disallowance of INR 20,16,740
4	MRPL	Income Tax	2015-16	Asst. Commissioner of Income Tax	28-12-2018	38.69	Incorrect computation of Capital Gains for BREPL and disallowance u/s 14A
5	NSPL	Income Tax	2015-16	Asst. Commissioner of Income Tax	13-12-2018	0.03	Disallowance of Expenses
6	MSPL	Income Tax	2016-17	Asst. Commissioner of Income Tax	26-12-2019	NIL	Disallowance of Donation u/s.80G resulting in Disallowance of INR 9,00,000

Indirect Tax							
Sr. No.	SPV Name	Statue	Assessment Year	Order Passing Authority	Order Date	Amount involved (INR Mn)	Remarks
1	MSPL	Entry Tax	2012-13	Commercial Tax	27-01-2020	72.20	Exemption to solar products disallowed
2	MSPL	VAT & CST	2014-15	Commercial Tax	18-03-2019	6.65	Non-consideration of Composition WCT certificates and E-1 forms
3	MSPL	CST	2015-16	Commercial Tax	27-03-2020	20.57	Non-Submission of E-1 forms
4	MSPL	CST	2015-16	Commercial Tax	07-01-2020	2.44	Non-Submission of E-1 forms
5	MSPL	CST	2016-17	Commercial Tax	30-03-2021	50.07	Non-Submission of E-1 forms
6	MSPL	CST	2016-17	Commercial Tax	04-02-2021	17.97	Non-Submission of E-1 forms, Excess turnover taxed
7	MSPL	VAT & CST	2016-17	Commercial Tax	12-01-2021	40.29	Non-Submission of E-1/C forms, J1-J2 mismatch, Excess turnover taxes
8	MSPL	VAT & CST	2016-17	Commercial Tax	23-03-2022	22.27	Disallowance of E-1 sale and HSS Sale
9	MSPL	CST	2017-18	Commercial Tax	30-06-2021	8.01	Non-Submission of E-1 forms
10	MSPL	CST	2017-18	Commercial Tax	09-03-2020	13.50	Non-Submission of E-1 forms
11	MSPL	CST	2017-18	Commercial Tax	09-03-2020	13.50	Non-Submission of E-1 forms
12	MSPL	VAT & CST	2017-18	Commercial Tax	18-02-2021	11.62	Non-Submission of E-1/C forms, J1-J2 mismatch, Excess turnover taxes
13	MSPL	VAT & CST	2017-18	Commercial Tax	N/A	6.80	Disallowance of E-1 sale and HSS Sale
14	MSPL	GST	2017-18 & Apr-18 to Dec-18	Joint Commissioner, Anti Evasion, Rajasthan	N/A	173.12	SPGS considered as Works Contract

Source: Investment Manager

<<End of Report>>

ANNEXURE D - TECHNICAL REPORT

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Sustainable Energy Infra Investment Manager Private
Limited
1127MW(AC) PV Projects Portfolio

Technical Appraisal Report



Report Details

Prepared for:	Sustainable Energy Infra Investment Manager Private Limited
Client Contact:	
Report Distribution	
SgurrEnergy:	Nazish Shaikh Neha Kamble
Report Classification:	Confidential

	Name	Job-Title	Signature
Prepared by:	SgurrEnergy Team		
Reviewed by:	Nazish Shaikh	Associate Director	
Authorised by:	Arif Aga	Director	
Date of Issue	03 July 2023		



Amendment Records

Revision Number	Date	Purpose of Revision	Summary of Amendments
A1	31 May 2023	First draft	Draft for internal review
B1	31 May 2023	Client Issue	Minor changes
B2	07 June 2023	Client Issue	Comments from IFC
B3	12 June 2023	Final Report	Comments from IFC
B4	21 June 2023	Final Report	Sections updated for design documents received from Owner.

NOTICE

This document entitled “*Technical Appraisal Report*”, document number 6.23.6126.001 has been prepared solely for *Mahindra Susten Private Limited* in connection with the *1127MW_{AC} Solar PV Portfolio*. This document in whole or in part may not be used by any person for any purpose other than that specified, without the express written permission of SgurrEnergy India. This document and its contents or any extract hereof, may be included in any document issued in connection with the proposed private placement of units of the Sustainable Energy Infra Trust, including the draft placement memorandum, placement memorandum and final placement memorandum and in any publicity material, press release, presentation or any other documents in relation to the offering. This document may also be made available as a material document for inspection in connection with the offering.

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Executive Summary

Mahindra Susten Private Limited (MSPL, the Client), seeks a potential investor in solar projects and therefore intends to evaluate a project portfolio of 1127MW_{AC} for its implementation quality and performance. The portfolio comprising of nine solar power plants have been developed and owned by Mahindra Susten. Mahindra Susten (the Developer) has its presence in diversified renewable fields and cleantech fields. The organisation has a power portfolio of over 1.5GWp.

The purpose of the report is to provide an independent and impartial review of technical issues and risks that may affect plant performance and operational life. SgurrEnergy received response from MSPL and has updated the sections accordingly, The responses received on the site observations have been captured Section- 13. The summary of the overall technical assessment is captured in section below:

Plant Overview

The portfolio consists of nine projects spread across five states namely Gujrat, Andhra Pradesh, Rajasthan & Telangana, Madhya Pradesh with capacities ranging from 10MW_{AC} to 250MW_{AC}.

Major Plant Component Review

PV Module

SgurrEnergy has conducted a desktop review of the PV module manufacturer's track record, module characteristics, certifications and warranty documents. Although full set of IEC certificates were not provided for PV modules under evaluation, SgurrEnergy raises no major concern regarding the IEC certification as the PV modules used in the entire portfolio are with good track record and technical characteristics are in-line with the industry standard. SgurrEnergy considers the product warranty of 10 / 12 years and linear power output warranty of 25 / 30 year to be in-line with the industry standards.

Inverter

SgurrEnergy has conducted a desktop review of the inverter supplier and inverter specifications. SgurrEnergy raises no major concern regarding the unavailability of the few IEC certificates as the inverter used in the entire portfolio are with good track record and technical characteristics are in-line with the industry standard. SgurrEnergy considers the 5-year warranty to be in-line with the industry standards. Overall, SgurrEnergy considers the inverters used throughout the portfolio are suitable.

Module Mounting structure

The concerns over marginal deviations considered in deflection provisions and thicknesses of structural elements of MMS as compared to standard industrial practice are notified in sections below for each specific project.

Overall, it is observed that the projects, whose drawings and design report are provided, have adequate detailing from strength and deflection criteria and SgurrEnergy have no major concern. SgurrEnergy suggests examining the structures periodically for any signs of corrosion during O&M and taking appropriate rectification measures for the same. SgurrEnergy also suggests using rich zinc spray, where peel-off of galvanization coating is observed in the structural member. Also, concrete pile cap at ground level is required for the MMS post to protect the column section against corrosion; SgurrEnergy suggests examining the structures periodically for any signs of corrosion during O&M and taking appropriate rectification measures for the same. SgurrEnergy also suggests using rich zinc spray, where peel-off of galvanization coating is observed in the structural member. Also, concrete pile cap at ground level is required for the MMS post to protect the column section against corrosion; SgurrEnergy suggests that for the projects - ASPL, Goyalari, ISTS-1, NSPL, Rewa and SECI_RJ, necessary pile caps of minimum 300mm diameter and 150mm thickness, shall be provided.



Developer response – The checks shall be included in the ongoing O&M activity.

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure supporting 60 solar PV modules in a row. The height of torque tube is 1.615m above ground. The column spacing in the provided drawing is typically 6.12m and end bay is 5.1m; total eleven grids are provided. The drawings contain adequate details of the mounting structure with material properties galvanization and connection details. Column, torque tube and rail are provided with 4.0mm, 4.0mm and 1.6mm thicknesses respectively. The provided drawing appears to be as per standard industrial practice; SgurrEnergy raise no major concern on the drawing. The provided DBR includes only wind pressure calculation formulas with 33m/s wind speed and while stability of tracker structure is missing. Alternatively, a generic tracker structure design report dated 18 November 2016 approved by SgurrEnergy was provided. SgurrEnergy, with reference to its initial general assessment considers the structure to be designed appropriately for the given site condition and does not raise any immediate concern on tracker structure design.

Engineering Appraisal

Civil Structure

Geotechnical investigation is a primary task carried out in the civil engineering domain, which helps to take a call over the design of foundations for a project. A summary of the investigation reports for all project sites is highlighted here. The reports mainly mentioned the number of boreholes explored with the depth of exploration, groundwater depth ascertained, blow count for SPT, etc. The reports state that groundwater is encountered at certain sites for specific boreholes; whereas for most of the sites groundwater is not encountered during the investigation. The reports also contain safe bearing capacity values as a function of depth and shear strength parameters like cohesion and angle of internal friction. The reports mainly capture all the essential required parameters to design the foundation of the solar PV plant.

For the Local Control Room (Inverter Station) and Main Control Room (MCR), the drawings and design reports form the basic documents within the scope of review. For some projects, from the foundation layout drawing, SgurrEnergy could conclude that pile capacity is safe to carry load from overlaying inverter station and shed. However, a review of structural drawings of the Inverter supporting platform and shed above is not carried out, since SgurrEnergy did not receive required files of various projects described in the conclusion of the respective heading.

SgurrEnergy has been provided with the design basis report & the Staad report for the Inverter station structure and foundation design calculations, SgurrEnergy confirms that the design is appropriate and compliant with Indian standards. It has been observed that all loads have been adequately considered. Furthermore, the deflection of the members remains within acceptable limits, and the pile foundation demonstrates safety against the bearing, uplift, deflection, and lateral capacity. Therefore, SgurrEnergy has no concerns regarding the design of the Inverter station structure and foundation.

The design report for the MCR building is provided for the ISTS-1 project only which concludes that the design of structural elements of the MCR building is adequate for this project. However, there are discrepancies in the grade of concrete seen between two documents viz. design calculation report and structural drawing for the same project; however, the risk associated with the same may not be high.

In the absence of design calculation report, SgurrEnergy was provided with the third-party structural stability certificate from J.N.ASSOCIATES, SHRIVASTAVA AND ASSOCIATES & JAS ASSOCIATES which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building.



The solar projects are mainly associated with the design and execution of module mounting structures (MMS), where tables are of either fixed tilt type or tracker concept. Generally, two methodologies are adopted in India for application of design wind loads for analysis of Module Mounting Structures (MMS). First is uniform wind loading and other is eccentric wind loading. Approximately 70% of MMS are designed considering uniform wind loading and same philosophy is also considered for the structures in present solar projects under review. SgurrEnergy considers eccentric wind loading to be beneficial for the design of MMS, since it is as per requirements of IS 875-III: 2015, table 8. However, the occurrences of extreme wind gusts are less, for which the structures are designed, and therefore, the risk associated with consideration of uniform wind loading for design may not be high.

Electrical Review

SgurrEnergy has reviewed the electrical schematics and design documents provided by the Developer to evaluate overall electrical scheme, SLDs, Layouts, sizing calculations, Earthing and short circuit calculations, MV system, Auxiliary supply system, Evacuation, Transmission Line, TVM metering, SCADA architecture and overall design aspects of the portfolio projects. Review of component datasheets for Inverter Duty Transformers, ICOG panels, MV switchgear panels, LT and HT AC cables, DC cables, String Combiner boxes and SCADA equipment was carried out in order to evaluate the suitability of the selected items to meet system requirements as per design. Following table indicates AC system details of the portfolio projects:

SgurrEnergy's engineering appraisal is based on review of the following design documents for the portfolio projects: Overall electrical schematics, AC and DC SLDs, Overall Plant Layouts, Switchyard Layouts, Inverter Station layouts, DC and AC trench layouts, Earthing layouts for DC yard, Inverter station, MCR and Switchyard, Equipment layouts for Inverter station and MCR, DC and AC Cable schedules, DC and AC Cable sizing calculations, Design basis reports for auxiliary supply, IDT sizing, inverter sizing and MV switchgear selection, Short circuit calculations, Earthing calculations and SCADA architecture. However, the above-mentioned design documents were found to be partially submitted for most of the projects. Moreover, for aspects with extensive detailing, documents were referred to on a sample basis and the system w09/06/23as assessed for typical configuration rather than for all the available configurations in a given project. SgurrEnergy would categorize the review as non-exhaustive and maintain that aspects of minor nature may not have been captured in the engineering appraisal.

Considering the scale of the portfolio projects, the review was carried out from a fundamental design perspective thereby evaluating overall system suitability and compatibility. Aspect wise review is provided in the subsequent sections of electrical engineering review enlisting details of the documents referred, SgurrEnergy's observations and suggested mitigations wherever system deficiencies are observed or optimization is required.

Operational Analysis

Considering the scale of the portfolio projects, the review was carried out from a fundamental design perspective thereby evaluating overall system suitability and compatibility. Aspect wise review is provided in the subsequent sections of electrical engineering review enlisting details of the documents referred, SgurrEnergy's observations and suggested mitigations wherever system deficiencies are observed or optimization is required.

The operational analysis conducted by SgurrEnergy for the nine PV plants reveals that the actual energy generation is lower than the predicted values. The deviation between the Daily Generation Reports (DGR) and the Predicted EYA P50 for portfolio is summarized in the table below. The performance of the portfolio for each fiscal year is indicated by the percentage difference. The analysis highlights potential reasons for the energy shortfall, including irradiation difference, downtime and auxiliary consumption variations, miscellaneous factors (such as soiling and energy yield model inaccuracies), and curtailment losses. The observed deviations suggest the need for further investigation and corrective measures to improve the plant performance and address system inefficiencies.



Fiscal Year	DGR Net Energy (MWh)	Predicted EYA P50 (MWh)	Deviation
FY 2016	3,477.08	4,087.66	14.94%
FY 2017	19,957.50	20,469.55	2.50%
FY 2018	2,75,785.02	3,09,811.52	10.98%
FY 2019	3,75,365.60	4,04,126.10	7.12%
FY 2020	4,62,942.49	5,02,224.39	7.82%
FY 2021	8,69,132.13	9,37,038.24	7.25%
FY 2022	13,69,451.85	14,95,394.79	8.42%
FY 2023	24,01,831.32	25,05,032.05	4.12%

O&M Contract Review

Parameters	Description
Scope of Work	SgurrEnergy considers the scope of work defined in the Contract to be in line with the industry standards.
Contract Price	The contract price varies from INR 1.4 to 3.6 lakhs per MWp capacity. The plants where robotic cleaning has been opted for, the O&M costs are less in comparison to the other plants where manual cleaning is being followed.
Module Cleaning Frequency	Manual – 5 sites - The contract specifies 12 module cleaning cycles every year. Robotic – 3 sites
Spare Parts	For all PV plants under review, the spare part management is not specified in the contract. SgurrEnergy expects Mahindra Teqo to actively manage the stock of spare parts.
Contractor Response Time	The contract indicates the response time is 24 hours. SgurrEnergy consider this to be in line with the current industry standard. Also a report of the defect along with corrective maintenance shall be submitted within 15 days. This is considered good for the project as inclusion of this clause makes the Contractor liable to attend the fault immediately.
Plant Availability	The guaranteed plant availability has been specified in the contract for Goyalri, Baap, Rewa, Seci_RJ which varies from 99.0-99.5%. The guaranteed plant availability has not been specified for ASPL, BREPL and NSPL. Plant availability of 99 is as per market standard. SgurrEnergy raises no concern as the actual plant availability meets the guaranteed plant availability for Goyalri, ASPL, Rewa, Seci_RJ sites.
Liquidated Damages	The contract specifies there is one type of LD/ penalty, which is associated with the non-achievement of guaranteed performance ratio. SgurrEnergy considers this to be in line with the industry standards.

Annual Energy Yields

SgurrEnergy has employed the as-built design and plant layout to conduct a comprehensive calculation of the annual energy yields for the PV Plant Portfolio. The analysis incorporates various energy losses that comprise of shading, incident angle, low irradiance, module temperature, soiling, module quality, module mismatch, DC wiring resistance, inverter performance, maximum power point (MPP) tracking, AC losses, and degradation.



The report evaluates the P50 Energy Yield Predictions, considering specific yield capacity utilization factor (CUF) for AC and DC, as well as performance ratio (PR) in percentage. Moreover, the report presents estimated uncertainties associated with long-term yield predictions, including yield uncertainty, solar measurement uncertainty, inter-annual variation of solar resource, module uncertainty, and P75, P90, and P95 predictions.



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1 Introduction

Mahindra Susten Private Limited (MSPL, the Client), seeks a potential investor in their solar assets and therefore intends to evaluate a project portfolio of 1127MW_{AC} for its implementation quality and performance. The portfolio comprising of nine solar power plants have been developed and owned by Mahindra Susten. Mahindra Susten (the Developer) has its presence in diversified renewable fields and cleantech fields. The organisation has a power portfolio of over 1.5GWp.

SgurrEnergy has been appointed by the Client to conduct an independent third party technical assessment of 1127MW_{AC} project portfolio.

The portfolio of 1127MW_{AC} comprises of nine solar PV plants and have been developed and owned by Mahindra Susten.

The purpose of the report is to provide an independent and impartial review of technical issues and risks that may affect plant performance and operational life. The report focuses on the following key topics:

- PV System Design
- Major Components
- Engineering Review
- Independent solar resource assessment and energy yield prediction.
- Plant Performance Assessment
- Permits and Approvals
- Operation and Maintenance Contract
- Site Observation
- Solar Plant Life 40 years

The developer has responded to the concerns raised by SgurrEnergy. These mitigations have been reviewed by SgurrEnergy and presented as italics in the respective section and site observations are presented in Section 13.



2 Solar PV Plant Overview

The portfolio consists of nine sites spread across five states, with capacities ranging from 12.50MW_P to 361.98MW_P. The portfolio comprises of a total of eight projects. Each project within the portfolio is characterized by its respective Plant Power Installed and Contracted AC Capacities. The details of these projects, along with their corresponding power capacities, have been comprehensively documented in the Table 2-1.

Table 2-1 below detail the project sites, location, the plant installed capacities, and contracted capacities. The ASPL project comprises of two individual projects with power capacities of 45MW_{AC} and 20MW_{AC} respectively. These two projects have been merged and treated as a unified entity for the purpose of analysis.

2.1 Project Summary

The portfolio comprises of a total of eight projects. Each project within the portfolio is characterized by its respective Plant Power Installed and Contracted AC Capacities. The details of these projects, along with their corresponding power capacities, have been comprehensively documented in the Table 2-1.

Table 2-1:Major Component List

Portfolio Project	MW _{AC} Capacity	MW _{DC} Capacity	PV Modules	PV Module Rating (Wp)	Inverters	Inverter Rating (kVA)
ASPL	65	84.75	Canadian Solar	315Wp, 320Wp, 325Wp	GE Power Conversion	1000kW
			First Solar	117.5Wp	SMA	1000kW
BREPL	10	12.5	Trina Solar	310Wp	TMEIC	750kW, 500kW
Goyalri	60	78.2	Canadian Solar	315Wp, 320Wp, 325Wp, 320Wp	GE Power Conversion	1000kW
			First solar	117.5Wp	SMA	1000kW
ISTS 1	250	362	Jinko solar	405Wp, 410Wp	Sungrow	3125kW
			Canadian Solar	355Wp, 360Wp, 365Wp, 370Wp		
ISTS 2	250	335	Longi Solar	540 Wp	SINENG	3125kW
SECI RJ	200	280	Jinko solar	460Wp, 465Wp	Sungrow	3125kW
			Jinko solar	455Wp, 460Wp		
			Longi Solar	450Wp, 445Wp		
NSPL	42.1	49.8	Hanwha Q CELLS	315Wp, 320Wp	GE Power Conversion, Hitachi, SMA	1000kW
			Trina Solar	315Wp	Huawei Technologies	43kW
			First solar	117.5Wp		
REWA	250.1	336.3	Trina Solar	340Wp, 345Wp	TMEIC	2550kW
			Longi Solar	340Wp, 345Wp	ABB	2000kW
				365Wp		
			Canadian Solar	320Wp, 325Wp, 330Wp	Huawei Technologies	160kW
			Jolywood	360Wp		



Figure 2-1 and Figure 2-2 represents the distribution of Module makes and Inverter makes employed in the projects.

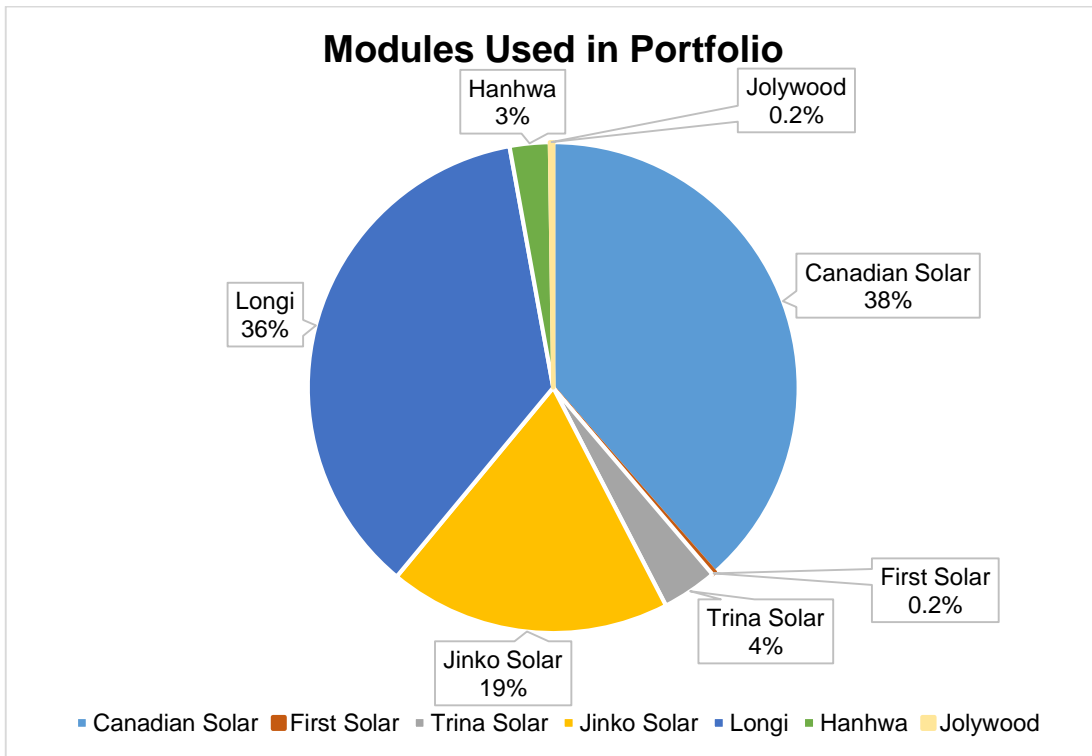


Figure 2-1 Project Specific Module make

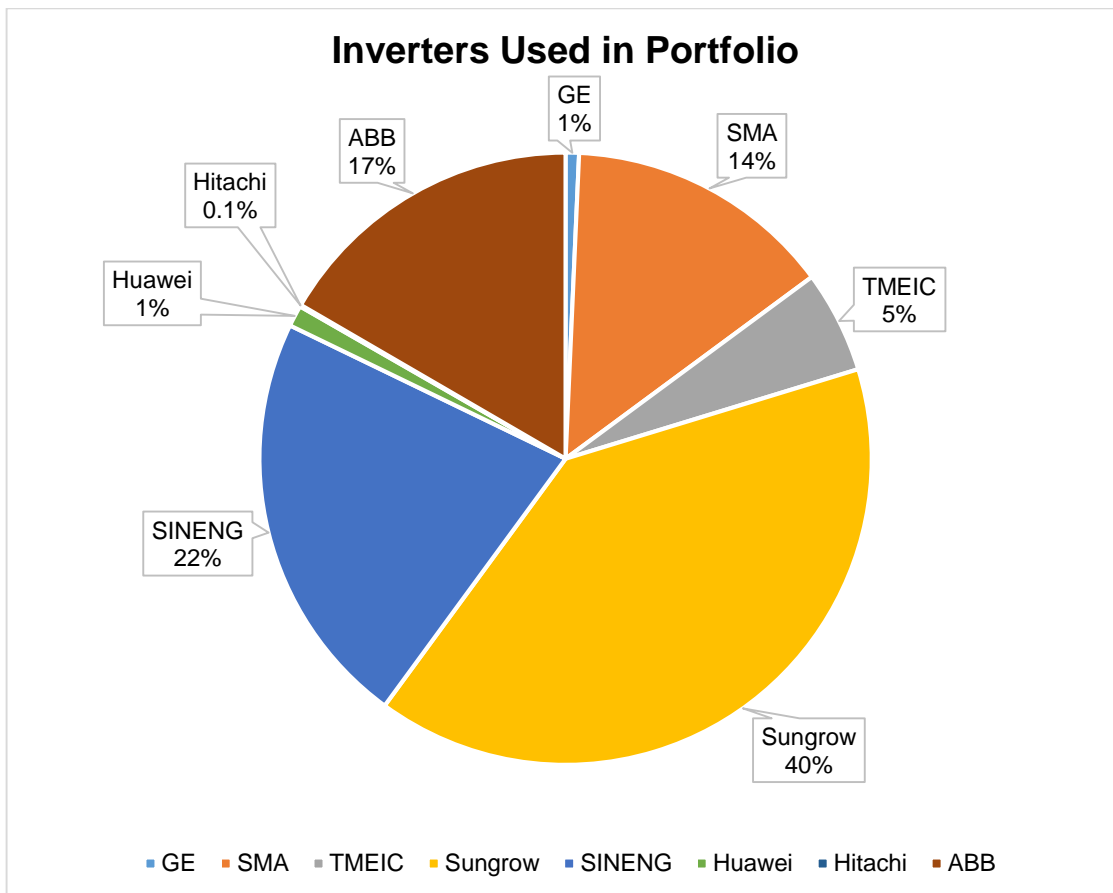


Figure 2-2 Project Specific Inverter make



3 Review of Major Plant Components

SgurrEnergy has conducted desktop review of the key component technologies used across the portfolio. The review includes the technical specifications, track record, experience of the supplier as well as compliance with relevant international standards.

The portfolio includes 9 operational projects. PV modules of Longi Solar, Hanwha Q CELLS, First Solar, Jinko Solar, Trina Solar, Canadian Solar and Jolywood and inverters of Huawei, Sungrow, SMA, GE Power Conversion, TMEIC, SINENG Hitachi and ABB are used in the portfolio.

The following sections summarise the review for each of the technologies.

3.1 PV Modules

SgurrEnergy has conducted a technical review of the supplier and PV module specification with regards to suitability for their use in the Projects under evaluation. The PV modules used in the Portfolio are tabulated in Table 3-1.

Table 3-1: PV Modules used in the Project

PV Project	Make	Capacity	Model	Technology
ASPL	Canadian Solar	315W _P , 320W _P , 325W _P	CS6U-315P, CS6U-320P, CS6U-325P	Polycrystalline
	First Solar	117.5W _P	FS-4117A-3	Thin Film
BREPL	Trina Solar	310W _P	TSM-310PC14	Polycrystalline
Goyalri	Canadian Solar	315W _P , 320W _P , 325W _P , 320W _P	CS6U-315P, CS6U-320P, CS6U-325P, CS6X-320P	Polycrystalline
	First solar	117.5W _P	FS-4117A-3	Thin Film
ISTS 1	Jinko solar	405W _P , 410W _P	JKM 405M-72H-V, JKM 410M-72H-V	Monocrystalline
	Canadian Solar	355W _P , 360W _P , 365W _P , 370W _P	CS3U-355P 1500V HE, CS3U-360P 1500V HE, CS3U-365P 1500V HE, CS3U-370P 1500V HE	Polycrystalline
ISTS 2	Longi Solar	535W _P , 540W _P	LR5-72 HBD 535 M, LR5-72 HBD 540 M	Bifacial Monocrystalline
	Jinko Solar	535W _P , 540W _P	JKM 535M-72HL4-BDVP, JKM 540M-72HL4-BDVP	Bifacial Monocrystalline
SECI RJ	Jinko solar	460W _P , 465W _P	JKM460M-7RL3-V, JKM465M-7RL3-V	Monocrystalline
	Jinko solar	455W _P , 460W _P	JKM455M-7RL3-TV, JKM 460-7RL3-BDVP	Bifacial Monocrystalline
	Longi Solar	450W _P , 445W _P	LR4-72 HPH 445 M G2, LR4-72 HPH 450 M	Monocrystalline
NSPL	Hanwha Q CELLS	315W _P , 320W _P	Q.POWER L-G5 315 , Q.POWER L-G5 320	Polycrystalline
	Trina Solar	315W _P	TSM-315PD14	Polycrystalline
	First solar	117.5W _P	FS-4117A-3	Thin Film



PV Project	Make	Capacity	Model	Technology
REWA	Trina Solar	340W _P , 345W _P	TSM-340PE14H, TSM-345PE14H	Monocrystalline
	Longi Solar	340W _P , 345W _P	LR6-72HV-340M, LR6-72HV-345M	Monocrystalline
		365W _P	LR6-72 HBD 365 M Bifacial	Bifacial Monocrystalline
	Canadian Solar	320W _P , 325W _P , 330W _P	CS6U - 320P 1500V, CS6U - 325P 1500V, CS6U - 330P	Polycrystalline
	Jolywood	360W _P	JW-D72N-360	Bifacial Monocrystalline

All the module manufacturers are ranked as Tier 1 by Bloomberg New Energy Finance. Though Bloomberg tiering system does not reflect on the product's technical or quality aspects, it provides an indication of acceptability in the marketplace.

3.1.1 Technical Characteristics

According to the datasheets provided by the Client and the information available in public domain, SgurrEnergy has summarized the technical characteristics of the PV modules as presented in Table 3-2.

Table 3-2: Technical Characteristics of the PV modules

PV Project	Module	Capacity	Efficiency (%)	Power Tolerance	Temperature Coefficient of Power (%/°C)
ASPL	Canadian Solar	315W _P , 320W _P , 325W _P	16.20%, 16.46%, 16.72%	0 to +5W	-0.41%/°C
	First Solar	117.5W _P	16.30%	0 to +5%	-0.28%/°C
BREPL	Trina Solar	310W _P	16.0%	0 to +3%	-0.42%/°C
Goyalri	Canadian Solar	315W _P , 320W _P , 325W _P , 320W _P	16.20%, 16.46%, 16.72%, 16.39%	0 to +5W	-0.41%/°C
	First solar	117.5W _P	16.30%	0 to +5%	-0.28%/°C
ISTS 1	Jinko solar	405W _P , 410W _P	20.13%, 20.38%	0 to +3%	-0.35%/°C
	Canadian Solar	355W _P , 360W _P , 365W _P , 370W _P	17.89%, 18.15%, 18.40%, 18.65%	0 to +5W	-0.37%/°C
ISTS 2	Longi Solar	535W _P , 540W _P	20.90%, 21.10%	0 to +5W	-0.35%/°C
	Jinko Solar	535W _P , 540W _P	20.75%, 20.94%	0 to +3%	-0.34%/°C
SECI RJ	Jinko solar	460W _P , 465W _P	20.49%, 20.71%	0 to +3%	-0.35%/°C
	Jinko solar	455W _P , 460W _P	20.00%, 20.21%	0 to +3%	-0.35%/°C
	Longi Solar	450W _P , 445W _P	20.5%, 20.7%	0 to +5W	-0.35%/°C
NSPL	Hanwha Q CELLS	315W _P , 320W _P	16.20%, 16.40%	0 to +5W	-0.40%/°C
	Trina Solar	315W _P	16.20%	0 to +3%	-0.41%/°C
	First solar	117.5W _P	16.30%	0 to +5%	-0.28%/°C
REWA	Trina Solar	340W _P , 345W _P	17.50%, 17.70%	0 to +5W	-0.39%/°C



PV Project	Module	Capacity	Efficiency (%)	Power Tolerance	Temperature Coefficient of Power (%/°C)
	Longi Solar	340W _P , 345W _P	17.50%, 17.80%	0 to +5W	-0.41%/°C
		365W _P	Front Side: 18.5% Rear Side: 13.9%	0 to +5W	-0.38%/°C
	Canadian Solar	320W _P , 325W _P , 330W _P	16.46%, 16.72%, 16.97%	0 to +5W	-0.40%/°C
	Jollywood	360W _P	Front Side: 18.4% Rear Side: 15.6%	0 to +5W	-0.38%/°C

SgurrEnergy observed that the efficiency of the modules utilized in the portfolio are in line with the industry standard. Further, the crystalline PV modules have temperature coefficient (P_{max}) in the range of -0.35%/°C to -0.42%/°C. This temperature coefficient is in line with SgurrEnergy's expectation for c-Si technology. Generally, the temperature coefficient of crystalline silicon modules is in the range of -0.35% to -0.50%/°C rise in temperature. The temperature coefficient of thin film PV module is -0.28% / °C. This temperature coefficient is in line with SgurrEnergy's expectation for thin film technology.

SgurrEnergy considers the technical characteristics of the modules to be in line with other leading module manufacturers and raises no major concern on the technical characteristics of the PV modules utilized for the sites.

3.1.2 Certification of the Modules

According to the datasheet of PV modules under evaluation, SgurrEnergy understands that all the PV modules have been manufactured in an automated facility certified to ISO9001: Certification for quality management systems, ISO14001: Certification for environmental management systems and OHSAS18001: Certification for Occupational Health and Safety Management Systems. SgurrEnergy has summarised the certificates provided by client and information available in the public domain in Table 3-3.

Table 3-3: Certification for PV Module

PV Project	Module	Capacity	Certifications
ASPL	Canadian Solar	315W _P , 320W _P , 325W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	First Solar	117.5W _P	<ul style="list-style-type: none"> • IEC 61646 • IEC 61730-1 & 2
BREPL	Trina Solar	310W _P	<ul style="list-style-type: none"> • IEC 61215 • IEC 61730-1 & 2
Goyalri	Canadian Solar	315W _P , 320W _P , 325W _P , 320W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	First solar	117.5W _P	<ul style="list-style-type: none"> • IEC 61646 • IEC 61730-1 & 2
ISTS 1	Jinko solar	405W _P , 410W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2 • IEC 61701 • IEC 62804
	Canadian Solar	355W _P , 360W _P , 365W _P , 370W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2



PV Project	Module	Capacity	Certifications
ISTS 2	Longi Solar	535W _P , 540W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Jinko Solar	535W _P ,540W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
SECI RJ	Jinko solar	460W _P , 465W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Jinko solar	455W _P , 460W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Longi Solar	450W _P , 445W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
NSPL	Hanwha Q CELLS	315W _P , 320W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Trina Solar	315W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	First solar	117.5W _P	<ul style="list-style-type: none"> • IEC 61646 • IEC 61730-1 & 2
REWA	Trina Solar	340W _P , 345W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Longi Solar	340W _P , 345W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2 • IS 14286
		365W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2 • IS 14286
	Canadian Solar	320W _P , 325W _P , 330W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2
	Jolywood	360W _P	<ul style="list-style-type: none"> • IEC 61215-1 & 2 • IEC 61730-1 & 2

It is common for PV modules to hold the design, performance and safety certifications based on IEC prescribed testing methods. Although full set of IEC certificates were not provided for PV modules under evaluation, SgurrEnergy raises no major concern regarding the IEC certification as the PV modules used in the entire portfolio are with good track record and technical characteristics are in-line with the industry standard.

3.1.3 Degradation of PV Modules

The performance of PV modules decreases over the time. The degradation rate is typically higher in the first year upon initial exposure to light and then stabilises. Factors affecting the degradation include the quality of materials used in manufacture, the manufacturing process, the quality of assembly and packaging of cells into the modules as well as the O&M regime employed at the site. The extent and nature of degradation varies among module technologies. In general, good quality PV modules may be expected to have a useful life of 25-30 years. The possibility of increased rates of degradation becomes higher thereafter.

The degradation rates of the PV modules are mentioned in the Table 3-4.



Table 3-4: Degradation Rate of the PV Module

PV Project	Module	Capacity	Technology	First Year Degradation (%)	General Degradation (%)
ASPL	Canadian Solar	315W _P , 320W _P , 325W _P	Polycrystalline	Not mentioned in the datasheet	
	First Solar	117.5W _P	Thin Film	3.0%	0.7%
BREPL	Trina Solar	310W _P	Polycrystalline	2.5%	0.8%
Goyalri	Canadian Solar	315W _P , 320W _P , 325W _P , 320W _P	Polycrystalline	Not mentioned in the datasheet	
	First solar	117.5W _P	Thin Film	3.0%	0.7%
ISTS 1	Jinko solar	405W _P , 410W _P	Monocrystalline	2.5%	0.6%
	Canadian Solar	355W _P , 360W _P , 365W _P , 370W _P	Polycrystalline	Not mentioned in the datasheet	
ISTS 2	Longi Solar	535W _P , 540W _P	Bifacial Monocrystalline	2.0%	0.55%
	Jinko Solar	535W _P , 540W _P	Bifacial Monocrystalline	2.0%	0.45%
SECI RJ	Jinko solar	460W _P , 465W _P	Monocrystalline	2.5%	0.6%
	Jinko solar	455W _P , 460W _P	Bifacial Monocrystalline	2.5%	0.55%
	Longi Solar	450W _P , 445W _P	Monocrystalline	2.0%	0.55%
NSPL	Hanwha Q CELLS	315W _P , 320W _P	Polycrystalline	3.0%	0.6%
	Trina Solar	315W _P	Polycrystalline	2.5%	0.8%
	First solar	117.5W _P	Thin Film	3.0%	0.7%
REWA	Trina Solar	340W _P , 345W _P	Monocrystalline	3.0%	0.7%
	Longi Solar	340W _P , 345W _P	Monocrystalline	3.0%	0.55%
		365W _P	Bifacial Monocrystalline	2.0%	0.45%
	Canadian Solar	320W _P , 325W _P , 330W _P	Polycrystalline	Not mentioned in the datasheet	
	Jollywood	360W _P	Bifacial Monocrystalline	1.0%	0.4%

3.1.4 Warranty

According to the warranty documents and datasheets provided by the Client, SgurrEnergy infers that the module manufacturers under evaluation (for the entire portfolio) have provided limited product warranty of either 10 years or 12 years. Further, SgurrEnergy understands that if modules fail to conform to this warranty, during the period ending of 10/12 years from the date of sale of the modules, the module manufacturers shall either repair or replace the product.

The module manufacturers have also provided a 25 year or 30-year linear power warranty with first-year degradation ranging from 2% to 3% and general degradation ranging from 0.5% to 0.7% each subsequent year, for different PV module makes. SgurrEnergy considers the warranties to be in-line with the industry standards.



3.2 Inverters

SgurrEnergy has conducted a desktop review of the supplier and inverter specification with regards to suitability for their use in the Projects under evaluation. The inverters used in the Portfolio are tabulated in Table 3-5.

Table 3-5: Inverter used in the Project

PV Project	Make	Capacity	Model	Technology
ASPL	GE Power Conversion	1000kW	LV5 1000kW V000 R000	Central Inverter
	SMA	1000kW	Sunny Central 1000CP XT	Central Inverter
BREPL	TMEIC	750kW, 500kW	Solar Ware 750 - PVL-L0750E-S, Solar Ware 500 - PVL-L0500E	Central Inverter
Goyalri	GE Power Conversion	1000kW	LV5-1510-SLR1MW(1500V)	Central Inverter
	SMA	1000kW	Sunny Central 1000CP XT	Central Inverter
ISTS 1	Sungrow	3125kW	SG3125HV-20	Central Inverter
ISTS 2	SINENG	3125kW	EP-3125-HA-UD	Central Inverter
SECI RJ	Sungrow	3125kW	SG3125HV-20	Central Inverter
NSPL	GE Power Conversion	1000kW	LV5 1000kW V000 R000	Central Inverter
	Huawei Technologies	43kW	SUN2000-43kTL-IN-C1	String Inverter
	Hitachi	1000kW	HIVERTER-NP 201i	Central Inverter
	SMA	1000kW	Sunny Central 1000CP XT	Central Inverter
REWA	TMEIC	2550kW	Solar Ware 2550 PVH-L2550E	Central Inverter
	ABB	2000kW	PVS980-58-2000kW-7	Central Inverter
	Huawei Technologies	160kW	SUN2000-185KTL-INH0-50C	String Inverter

3.2.1 Technical characteristics

According to the datasheets provided by the Client and the information available in the public domain, SgurrEnergy has summarized the technical characteristics of the inverters as presented in Table 3-6.

Table 3-6: Technical Characteristics of the Inverter

PV Project	Make	Capacity	Peak Efficiency (%)	Protection Class	Operating Temperature Range
ASPL	GE Power Conversion	1000kW	98.4%	Not mentioned in the datasheet	-10 to +55°C



PV Project	Make	Capacity	Peak Efficiency (%)	Protection Class	Operating Temperature Range
	SMA	1000kW	98.7%	IP 54	-25 to +62°C
BREPL	TMEIC	750kW, 500kW	98.6%	IP 21	-20 to +50°C
Goyalri	GE Power Conversion	1000kW	98.4%	Not mentioned in the datasheet	-10 to +55°C
	SMA	1000kW	98.7%	IP 54	-25 to +62°C
ISTS 1	Sungrow	3125kW	99.0%	IP 55	-35 to +60°C
ISTS 2	SINENG	3125kW	99.0%	IP 65	-30 to +60°C
SECI RJ	Sungrow	3125kW	99.00	IP 55	-35 to +60°C
NSPL	GE Power Conversion	1000kW	98.4%	Not mentioned in the datasheet	-10 to +55°C
	Huawei Technologies	43kW	98.8%	IP 65	-25 to +60°C
	Hitachi	1000kW	98.4%	IP 20	-5 to +50°C
	SMA	1000kW	98.7%	IP 54	-25 to +62°C
REWA	TMEIC	2550kW	98.8%	IP 21	-20 to +50°C
	ABB	2000kW	98.8%	IP 65	-20 to +50°C
	Huawei Technologies	160kW	99.03%	IP 65	-25 to +60°C

SgurrEnergy observed that the inverter efficiency and operational temperature range of the selected inverters are in line with industry standards.

According to the datasheets of the inverters, SgurrEnergy observed that the inverter specifications include the following protection devices within the inverter design:

- DC disconnect for safe and convenient maintenance
- Surge arresters for both DC and AC side
- Residual Current Monitoring Unit (RCMU)
- Anti-Islanding Protection
- DC Reverse-polarity Protection

SgurrEnergy considers the technical characteristics of the inverters to be in line with other leading inverter manufacturers and raises no major concern about the technical characteristics of the inverters utilized for the site.

3.2.2 Certifications

According to the IEC certificates and datasheets provided by the Client, SgurrEnergy observed that all the inverters under evaluation have been manufactured in an automated facility certified to ISO9001: Certification for quality management systems, ISO14001: Certification for environmental management systems and OHSAS18001: Certification for Occupational Health and Safety Management Systems.

Certification details for the inverters used in the entire portfolio are listed in Table 3-7.



Table 3-7: Certification for Inverter

PV Project	Make	Capacity	Certifications
ASPL	GE Power Conversion	1000kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61000
	SMA	1000kW	<ul style="list-style-type: none"> • IEC 61000 / EN 61000
BREPL	TMEIC	750kW, 500kW	<ul style="list-style-type: none"> • IEC 61683 • IEC 62116 • IEC 62109 • IEC 61000 • IEC 62103 • IEC 62446 • IEC 61836
Goyalri	GE Power Conversion	1000kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61000
	SMA	1000kW	<ul style="list-style-type: none"> • IEC 61000 / EN 61000
ISTS 1	Sungrow	3125kW	<ul style="list-style-type: none"> • IEC 60068-2-68 • EN 50530 • IEC 62116 • IEC 62109 • IEC 61727
ISTS 2	SINENG	3125kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61727 • IEC 61683 • IEC 62116 • IEC 60068 • IEC 61000
SECI RJ	Sungrow	3125kW	<ul style="list-style-type: none"> • IEC 60068-2-68 • EN 50530 • IEC 62116 • IEC 62109 • IEC 61727
NSPL	GE Power Conversion	1000kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61000
	Huawei Technologies	43kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61683 • IEC 62116 • IEC 60068 • IEC 61727
	Hitachi	1000kW	<ul style="list-style-type: none"> • IEC 61683 • IEC 60068 • IEC 62116 • IEC 62109 • IEC 61000
	SMA	1000kW	<ul style="list-style-type: none"> • IEC 61000 / EN 61000
REWA	TMEIC	2550kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61000
	ABB	2000kW	<ul style="list-style-type: none"> • IEC 62109 • IEC 61000
	Huawei Technologies	160kW	<ul style="list-style-type: none"> • IEC 62109



PV Project	Make	Capacity	Certifications
			<ul style="list-style-type: none"> • IEC 61683 • IEC 62116 • IEC 60068 • IEC 61727

Although full set of IEC certificates of the inverters were not provided for review, SgurrEnergy raises no major concern regarding the IEC certification as the inverter used in the entire portfolio are with good track record and technical characteristics are in-line with the industry standard.

3.2.3 Warranty

Taking the reference from the warranty document provided for the inverter makes used in the project and data available in public domain, SgurrEnergy understands that the manufacturers have provided confirmation that the supplied inverters shall be free from any non-conformity or defects in the workmanship or materials, for a period as mentioned in Table 3-8.

Table 3-8: Warranty Period of the Inverters

PV Project	Make	Capacity	Warranty Period
ASPL	GE Power Conversion	1000kW	72 months from the date of supply
	SMA	1000kW	66 months from date of delivery / 60 months from date of commissioning
BREPL	TMEIC	750kW, 500kW	63 months from the date of shipment from the Factory / 60 months from the date of commissioning
Goyalri	GE Power Conversion	1000kW	72 months from the date of supply
	SMA	1000kW	71 months from the date of supply
ISTS 1	Sungrow	3125kW	5 years from the date of shipment
ISTS 2	SINENG	3125kW	66 months from date of delivery
SECI RJ	Sungrow	3125kW	5 years from the date of shipment
NSPL	GE Power Conversion	1000kW	72 months from the date of supply
	Huawei Technologies	43kW	5 years from the date of shipment
	Hitachi	1000kW	63 months from the date of dispatch / 60 months from the date of commissioning
	SMA	1000kW	64 months from the date of supply
REWA	TMEIC	2550kW	63 months from the date of shipment from the Factory / 60 months from the date of commissioning
	ABB	2000kW	72 months from the date of supply / 66 months from date of commissioning
	Huawei Technologies	160kW	66 months from date of delivery

SgurrEnergy finds the warranty terms, conditions, exclusion, and procedure mentioned in the warranty documents to be acceptable and does not raise any major concern.



3.3 Conclusions on Major Plant Components

PV Module

Based on desktop review of the PV modules manufacturer's track record, module characteristics, certifications, and warranty documents, SgurrEnergy concludes that the PV modules used in the entire portfolio are with good track record and technical characteristics are in-line with the industry standard.

Inverters

In conclusion, the technical characteristics are acceptable, with a good efficiency level for string inverters and central inverters. Standard warranty of five years / more than 5 years is provided for inverters. SgurrEnergy considers the five-year warranty to be in-line with the industry standards.

Overall, SgurrEnergy considers the inverters used throughout the portfolio are suitable.

3.4 Module Support structures

In India, generally two methodologies are adopted for application of design wind loads for analysis of Module Mounting Structures (MMS). First is uniform wind loading and other is eccentric wind loading. Approximately 70% of MMS are designed considering uniform wind loading and same philosophy is also considered for the structures in present solar projects under review. SgurrEnergy considers eccentric wind loading to be beneficial for the design of MMS, since it is as per requirements of IS 875-III: 2015, table 8. However, the occurrences of extreme wind gusts are less, for which the structures are designed, and therefore, the risk associated with consideration of uniform wind loading for design may not be high.

Considering 25 years as minimum expected design life of the MMS, SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.

As per standard industrial practice, minimum thicknesses for column, rafter, purlin and bracing members are 2.0mm, 1.6, 1.2mm and 2.0mm respectively. Members thinner than these thicknesses need special attention during operation and maintenance, as mentioned above.

Developer response – The checks shall be included in the ongoing O&M activity.

3.4.1.1 ASPL

Fixed tilt for 25MW and 40MW

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Hanwa Solar PV modules for 25MW plant and Canadian Solar PV modules for 40MW plant. The plant is a combination of tracker and fixed tilt type of module mounting structure. The fixed tilt type has a configuration of 2Px42 (having two rows of modules in portrait and 42 modules in each row). It is a mono-slope structure with single row of column posts. The MMS is designed for 16° tilt with minimum ground clearance of 500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties, galvanization details, foundation sizes and connection details. The column spacing in the provided drawing is typically 4.29m and end bay is of 3.43m; total eleven grids are provided. The column, rafter, purlin and bracing members are provided with 2.5mm, 1.8mm, 1.3mm and 1.2mm thicknesses respectively.

SgurrEnergy is provided with MMS design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all



structural members for respective load combinations is listed in the report and found to be within the acceptable limit.

The deflection check shown in the report is in line with IS code recommendations for all structural members; except for column. Allowable deflection for a column is considered as $L/180$ in the provided design report (where, "L" is length of member). However, as per standard industrial practice and code requirements, this should be $L/240$. Since the actual calculated deflection exceeds the calculated permissible deflection marginally by 2mm only, SgurrEnergy raises no major concern taking into consideration that column post shall be checked periodically during operation and maintenance (O&M). In case, corrosion or deflection is observed during O&M, necessary remedial action shall be taken.

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concern.

Tracker structure for 25 MW and 40MW

SgurrEnergy is provided with list of projects where Mahindra tracker (MSAT) is used. As per the provided list, it is understood that Mahindra trackers are deployed along with fixed tilt for this project site location.

3.4.1.2 BREPL

Fixed Tilt Structure

BREPL has utilised both Fixed Tilt and Tackers system. SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Trina Solar PV modules. The MMS is a fixed tilt type with a configuration of 2Px40 and 2Px20 for full table and half table respectively. It is a mono-slope structure with single row of column posts. The MMS is designed for 10° tilt with minimum ground clearance of 500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties and connection details. The column spacing in the provided drawing is typically 5.173m and end bay is of 4.118m; total eleven and six grids are provided for full and half table, respectively. The column, rafter, purlin and bracing members are provided with 4.0mm, 1.8mm, 1.0mm and 0.9mm thicknesses respectively. Provided thicknesses are low for purlin and bracing members. Considering 25 years as minimum expected design life of the MMS, SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.

Developer response – The checks shall be included in the ongoing O&M activity.

SgurrEnergy is provided with MMS design calculation report. As per report 33m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit. The deflection check shown in the report is in line with IS code recommendations.

Overall, the design and drawing appears to be as per the standard industrial practices, apart from the minor observations highlighted above. Hence, SgurrEnergy raises no major concern.

Tracker structure

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure supporting 60 solar PV modules in a row. The height of torque tube is 1.615m above ground. The column spacing in the provided drawing is typically 6.12m and end bay is 5.1m; total eleven grids are provided.



The drawings contain adequate details of the mounting structure with material properties galvanization and connection details. Column, torque tube and rail are provided with 4.0mm, 4.0mm and 1.6mm thicknesses respectively.

The provided drawing appears to be as per standard industrial practice; SgurrEnergy raise no major concern on the drawing.

In the absence site-specific tracker design basis report, we would consider the shared report dated 18 November 2016, which was approved by us as a general design document.

3.4.1.3 Goyalri

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure supporting 60 PV module in a row. The height of torque tube is 1.2 to 1.5m above ground. The column spacing in the provided drawing is typically 6.12m and end bay is 5.1m; total eleven grids are provided.

The drawings contain adequate details of the mounting structure with material properties galvanization and connection details. Column, torque tube and rail are provided with 5.0mm, 2.5mm and 1.2mm thicknesses respectively.

The provided drawing appears to be as per standard industrial practice; SgurrEnergy raise no major concern on the drawing.

SgurrEnergy is provided with tracker structure and connection design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Tracker is designed for a maximum wind speed of 17m/s at 45degree tilt and 47m/s at 0-degree tilt (stow position). The structure is modelled and designed in STAAD.Pro software for both the cases with IS-800 and IS-801 for hot rolled and cold formed member sections respectively.

Uniform wind loading (rectangular loading) is considered to design the tracker structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit. The deflection check shown in the report is in line with IS code recommendations for all structural members.

The provided connection addresses torque tube splice connection (fisher plate) and torque tube splice connection (C with lip). High level review of connection design calculation appears to be safe in bearing, moment and shear force.

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concern.

3.4.1.4 ISTS-1

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Canadian Solar and Jinko Solar PV modules. The MMS is a fixed tilt type of configuration having 2Px58 for Jinko module and 2PX60 for Canadian module. It is a mono-slope structure with single row of column posts. The MMS is designed for 20° tilt with minimum ground clearance of 500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties, galvanization details, foundation sizes and connection details.

SgurrEnergy is provided with MMS design calculation report. As per report 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. The design report categorizes the structures in the plant into interior and exterior tables; however, reference from relevant standards or project specific technical study to justify the use of this concept is not provided in the report.



Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit.

The deflection check shown in the report is in line with IS code recommendations for all structural members; except for column. Allowable deflection for a column is considered as L/180 in the provided design report (where, “L” is length of member). However, as per standard industrial practice and code requirements, this should be L/240. Since the actual calculated deflection exceeds the calculated permissible deflection marginally by 1mm only, SgurrEnergy raises no major concern taking into consideration that column post shall be checked periodically during operation and maintenance (O&M). In case, corrosion or deflection is observed during O&M, necessary remedial action shall be taken

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concerns.

However, the torque markings on the MMS nut and bolts are missing at many places. SgurrEnergy suggests to ensure the tightening of all nuts and bolts are as per the specified torque with torque marking for ease of O&M.

Developer response – The checks shall be included in the ongoing O&M activity.

3.4.1.5 ISTS-2

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Longi Solar PV modules. The MMS is a fixed tilt type mono-slope structure with single row of column posts. The MMS is designed for 12° tilt with minimum ground clearance of 600mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties galvanization and connection details. Column, Rafter, Purlin and Bracing are provided with 2.1mm, 1.2mm, 0.9mm and 1.2mm thicknesses respectively.

SgurrEnergy is provided with MMS design calculation report. As per report 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. The design report categorizes the structures in the plant into interior and exterior tables; however, reference from relevant standards or project specific technical study to justify the use of this concept is not provided in the report.

The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit.

The deflection check shown in the report is in line with IS code recommendations for all structural members; except for column. Allowable deflection for a column is considered as L/180 in the provided design report (where, “L” is length of member). However, as per standard industrial practice and code requirements, this should be L/240. Since the actual calculated deflection exceeds the calculated permissible deflection marginally by 1mm only, SgurrEnergy raises no major concern taking into consideration that column post shall be checked periodically during operation and maintenance (O&M). In case, corrosion or deflection is observed during O&M, necessary remedial action shall be taken

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concern on the design.

However, as per the site visit observation improper alignment of the MMS structures is noted at many structures which keeps the structure under continuous stress and ultimately leads to deformation of structural member and deteriorates the life of the structure. Also, the torque markings on the MMS nut and bolts are missing at many places. However, this is taken care of during O&M as well as a part of preventive maintenance activities. SgurrEnergy suggests that



the developer should ensure the proper alignment and torque marking to avoid any stress / deformation of structural members.

3.4.1.6 NSPL

The project NSPL has deployed Fixed tilt as well as trackers at the site.

Fixed Tilt structure

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Hanwa Solar PV modules. The MMS is a fixed tilt type with a configuration of 2Px42 (having two rows of modules in portrait and 42 modules in each row). It is a mono-slope structure with single row of column posts. The MMS is designed for 13° tilt with minimum ground clearance of 500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties, galvanization details, foundation sizes and connection details. The column spacing in the provided drawing is typically 4.29m and end bay is of 3.43m; total eleven grids are provided. The column, rafter, purlin and bracing members are provided with 2.5mm, 1.8mm, 1.3mm and 1.2mm thicknesses respectively.

SgurrEnergy is provided with MMS design calculation report. As per the report, 44m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit. The deflection check shown in the report is in line with IS code recommendations for all structural members.

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concern.

Tracker Structure

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure supporting 63 PV module in a row. The nominal height of torque tube is 1.2m above ground. The column spacing is typically 6.12m and end bay is 5.1m; total 12 grids are provided.

Details of the mounting structure like material properties, sizes and thickness of structural member, galvanization thickness details and connection details are not provided in the drawing. These details are essentially required in the drawings as per standard industrial practice.

The provided DBR is highlighting only wind pressure calculation formulas considering 44m/s wind speed and does not address the stability of tracker structure.

SgurrEnergy is unable to comment on the stability of the tracker structure in the absence of the complete design report and drawings.

In the absence site-specific tracker design basis report, we would consider the shared report dated 18 November 2016, which was approved by us as a general design document. .

3.4.1.7 REWA

Bifacial Fixed Tilt structure

SgurrEnergy received the general arrangement drawings of the module mounting structures (MMS) designed for Jollywood and Longi Solar PV modules. The MMS is a fixed tilt type with a configuration of 4Lx30 (having four rows of modules in landscape orientation and 30 modules in each row). It is a mono-slope structure with single row of column posts. The MMS is designed for 16° tilt with minimum ground clearance of 1500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure. The column spacing in the provided drawing is typically 4.29m with total 16 grids. The column, rafter, purlin and bracing



members are provided with 2.5mm, 1.5mm, 0.9mm and 1.2mm thicknesses, respectively. Provided thicknesses are low for rafter, purlin and bracing members.

As per the response received from the developer, The thicknesses of the rafter, purlin, and bracing members are low compared to those mentioned in 3.4. The analysis and design of the MMS structure support the acceptability of these member thicknesses. Therefore, SgurrEnergy does not raise any major concerns.

Considering 25 years as minimum expected design life of the MMS, SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.

Developer response – The checks shall be included in the ongoing O&M activity.

SgurrEnergy is provided with MMS design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit. The deflection check shown in the report is in line with IS code recommendations for all structural members.

Overall, the design and drawing appear to be as per the standard industrial practices, apart from the minor observations highlighted above. Hence, SgurrEnergy raises no major concern.

Mono-facial Fixed Tilt structure

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Longi Solar PV modules. The MMS is a fixed tilt type with a configuration of 2Px62 (having two rows of modules in portrait orientation and 62 modules in each row). It is a mono-slope structure with single row of column posts. The MMS is designed for 14° tilt with minimum ground clearance of 500mm provided from bottom edge of PV modules.

The drawings contain adequate details of the mounting structure with material properties, galvanization details, foundation sizes and connection details. The column spacing in the provided drawing is typically 4.076m and end bay is of 3.036m with total 17 grids. The column, rafter, purlin and bracing members are provided with 2.5mm, 1.5mm, 0.9mm and 1.2mm thicknesses respectively. Provided thicknesses are low for rafter, purlin and bracing members. Considering 25 years as minimum expected design life of the MMS, SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.

Developer response – The checks shall be included in the ongoing O&M activity.

SgurrEnergy is provided with MMS design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit. The deflection check shown in the report is in line with IS code recommendations for all structural.

Overall, the design and drawing appears to be as per the standard industrial practices, apart from the minor observations highlighted above. Hence, SgurrEnergy raises no major concern.



Tracker structure

One in Portrait

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure for Longi and Jollywood Solar PV modules. Tracker structure is having a configuration of one row of modules in portrait orientation. Reviewing the provided drawing, it is understood that details of the mounting structure like material properties, sizes and thickness of structural member and connection details are provided in the drawing.

SgurrEnergy is provided with tracker structure design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Tracker is designed for a maximum wind speed of 17m/s at 45degree tilt and 47m/s at 0-degree tilt (stow position). The structure is modelled and designed in STAAD.Pro software for both the cases, with IS-800 and IS-801 for hot rolled and cold formed member sections, respectively.

Uniform wind loading (rectangular loading) is considered to design the tracker structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit.

Overall, the design and drawing appears to be as per the standard industrial practices; hence, SgurrEnergy raises no major concern.

Two in Landscape and Three in Landscape

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structures for Longi and Jollywood Solar PV modules. Two types of tracker structures are supporting solar PV modules in two different configurations, respectively; viz. two modules in landscape and three modules in landscape orientations. Reviewing the provided drawing, it is understood that the details of the mounting structure like material properties, sizes and thickness of structural member and connection details are provided in the drawing.

DBR is not provided for the above two types of tracker structures and SgurrEnergy is unable to comment on the stability of these tracker structures in the absence of the complete design report.

As reponse from the developer, SgurrEnergy have received the MMS Tracker DBR and GA drawings and it is observed that the designs and drawings are as per the relevant standards. Hence SgurrEnergy does not raise any concern regarding the design of the tracker structure.

However, as per site visit Initial phase of corrosion over structural members (column, rafter, purlin and bracings) and on fasteners were observed at several locations across all fixed tilt and tracker structure. SgurrEnergy suggests to provide corrosion treatment to MMS structural member by cleaning the member with wire brush, over the cleaned surface anti-corrosive Zinc spray shall be applied.

3.4.1.8 SECI_RJ

SgurrEnergy received the general arrangement drawings and design calculation report of the module mounting structures (MMS) designed for Jinko Solar PV modules. The MMS is a fixed tilt type with a configuration of 2Px54 (having two rows of modules in portrait orientation and 54 modules in each row). It is a mono-slope structure with single row of column posts. There is a minimum ground clearance of 500mm provided from bottom edge of PV modules.

The MMS is designed for 16° tilt, the MMS drawing mentions 20° tilt. However, as per response from developer both 16 and 20° have been used. There seems to be no major difference in the associated wind pressure co-efficient for the considered tilt angles. For 16° tilt, the wind pressure co-efficient are +0.72 and -1.14, while for 20° these are +0.8 and 1.3 values. Accordingly, there is around 11 to 14% lesser design wind loads considered in the analysis of the structures. However, the occurrences of extreme wind gusts are less, for which the structures are designed, and therefore, the associated risk may not be high.



The drawings contain adequate details of the mounting structure with material properties, galvanization details, foundation sizes and connection details. The column spacing in the provided drawing is typically 4.196m and end bay is of 2.987m; total 14 grids are provided. The column, rafter, purlin and bracing members are provided with 2.5mm, 1.2mm, 0.9mm and 1.3mm thicknesses respectively. Provided thicknesses are low for rafter, purlin and bracing members.

As per the response from the developer, The thicknesses of the rafter, purlin, and bracing members are low compared to those mentioned in 3.4. The analysis and design of the MMS structure support the acceptability of these member thicknesses. Therefore, SgurrEnergy does not raise any major concerns.

Considering 25 years as minimum expected design life of the MMS, SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.

Developer response – The checks shall be included in the ongoing O&M activity.

SgurrEnergy is provided with MMS design calculation report. As per the report, 47m/s is the basic wind speed considered for the project site location which is in line with IS-875-3:2015 code. Uniform wind loading (rectangular loading) is considered to design the module mounting structure. The maximum value of utilization ratio (actual stress / allowable stress; ratio < 1) of all structural members for respective load combinations is listed in the report and found to be within the acceptable limit.

The deflection check shown in the report is in line with IS code recommendations for all structural members; except for column. Allowable deflection for a column is considered as L/180 in the provided design report (where, “L” is length of member). However, as per standard industrial practice and code requirements, this should be L/240. Since the actual calculated deflection exceeds the calculated permissible deflection marginally by 3.3mm only, SgurrEnergy raises no major concern taking into consideration that column post shall be checked periodically during operation and maintenance (O&M). In case, corrosion or deflection is observed during O&M, necessary remedial action shall be taken.

Overall, the design and drawing appears to be as per the standard industrial practices, apart from the minor observations highlighted above. Hence, SgurrEnergy raises no major concern.

However, as per the site visit observation torque markings on the MMS nut and bolts are missing at many places. SgurrEnergy suggest that the developer should ensure tightening of all nuts and bolts as per the specified torque with torque marking to avoid any stress / deformation of structural members.

Developer response – The checks shall be included in the ongoing O&M activity.

3.4.1.9 Conclusion

On reviewing the drawings and design calculations provided to SgurrEnergy for MMS fixed tilt type and tracker structures, SgurrEnergy can make project specific conclusions.

For projects like ASPL, ISTS-1, REWA, ISTS-2 and SECI_RJ; it is observed that the design and drawing documents are as per the standard industrial practices. Some marginal deviations are observed to be considered for requirements of deflection check; however, SgurrEnergy raises no major concern for the same, by suggesting periodical examination during the O&M period as mentioned in the above sections.

Further for SECI_RJ project, the MMS is designed for 16° tilt while, the MMS drawing mentions 20° tilt. Accordingly, there is around 11 to 14% lesser design wind loads considered in the analysis of the structures. However, the occurrences of extreme wind gusts are less, for which the structures are designed, and therefore, the associated risk may not be high.



For projects like BREPL and NSPL, SgurrEnergy raises no major concern for fixed tilt system from design point.

For projects like Goyalri and REWA having tracker structures with single row of modules in portrait orientation, necessary documents with design and drawings are provided. SgurrEnergy raises no major concern for these structures.

SgurrEnergy received the general arrangement drawings and design basis report (DBR) of Tracker structure supporting 60 solar PV modules in a row. The height of torque tube is 1.615m above ground. The column spacing in the provided drawing is typically 6.12m and end bay is 5.1m; total eleven grids are provided. The drawings contain adequate details of the mounting structure with material properties galvanization and connection details. Column, torque tube and rail are provided with 4.0mm, 4.0mm and 1.6mm thicknesses respectively. The provided drawing appears to be as per standard industrial practice; SgurrEnergy raise no major concern on the drawing. The provided DBR includes only wind pressure calculation formulas with 33m/s wind speed and while stability of tracker structure is missing. Alternatively, a generic tracker structure design report dated 18 November 2016 approved by SgurrEnergy was provided. SgurrEnergy, with reference to its initial general assessment considers the structure to be designed appropriately for the given site condition and does not raise any immediate concern on tracker structure design.



4 System Design Appraisal

SgurrEnergy has reviewed the PV plant system configuration and the technical specifications of the major plant equipment of all the nine PV plants under evaluation.

- Overall plant layout
- Single Line Diagram
- Major equipment specification
- Mounting structure design

Technical Characteristics

Referring to the documentation provided by the Developer, the portfolio is implemented with the following major components presented in Table 4-1.

Table 4-1: Major Components List

Portfolio Project	PV Modules	PV Module Rating (Wp)	Inverters	Inverter Rating (kVA)
ASPL	Canadian Solar	315Wp, 320Wp, 325Wp	GE Power Conversion	1000kW
	First Solar	117.5Wp	SMA	1000kW
BREPL	Trina Solar	310Wp	TMEIC	750kW, 500kW
Goyalri	Canadian Solar	315Wp, 320Wp, 325Wp, 320Wp	GE Power Conversion	1000kW
	First solar	117.5Wp	SMA	1000kW
ISTS 1	Jinko solar	405Wp, 410Wp	Sungrow	3125kW
	Canadian Solar	355Wp, 360Wp, 365Wp, 370Wp		
ISTS 2	Longi Solar	540 Wp	SINENG	3125kW
SECI RJ	Jinko solar	460Wp, 465Wp	Sungrow	3125kW
	Jinko solar	455Wp, 460Wp		
	Longi Solar	450Wp, 445Wp		
NSPL	Hanwha Q CELLS	315Wp, 320Wp	GE Power Conversion, Hitachi, SMA	1000kW
	Trina Solar	315Wp		
	First solar	117.5Wp	Huawei Technologies	43kW
REWA	Trina Solar	340Wp, 345Wp	TMEIC	2550kW
	Longi Solar	340Wp, 345Wp		
			365Wp	ABB
	Canadian Solar	320Wp, 325Wp, 330Wp	Huawei Technologies	160kW
	Jolywood	360Wp		

The installed capacities of each of the PV projects in the portfolio are tabulated in Table 4-2.



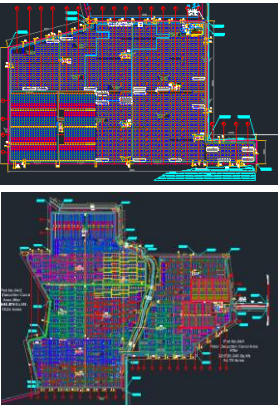
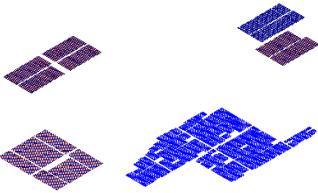
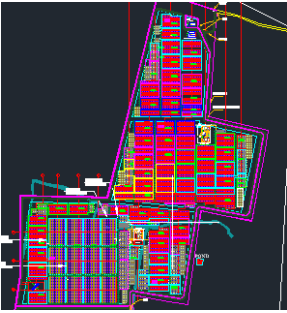
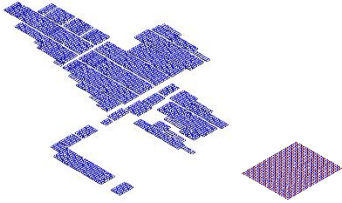
Table 4-2: Installed Capacities

Sr. No	Project Name	Capacity (MW)
1	ASPL	65.00
2	BREPL	10.00
3	Goyalri	60.00
4	ISTS-1	250.00
5	ISTS-2	250.00
6	SECI_RJ	200.00
7	NSPL	42.10
8	REWA	250.10


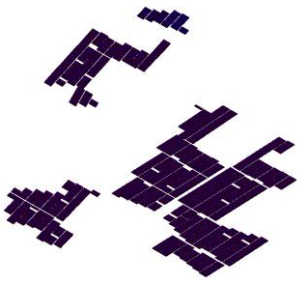
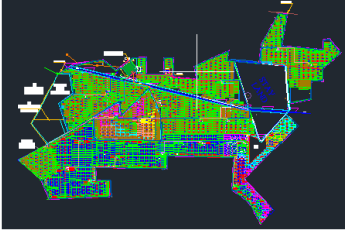
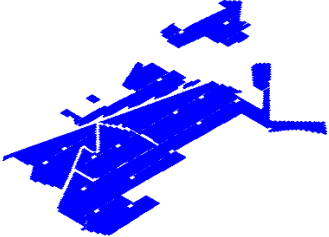
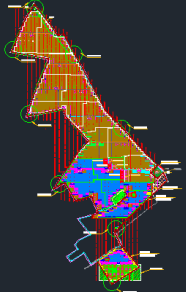


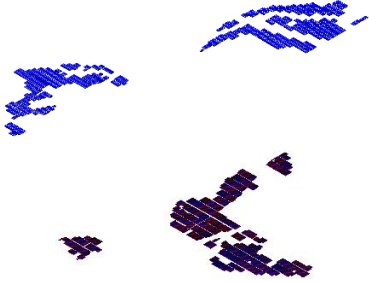
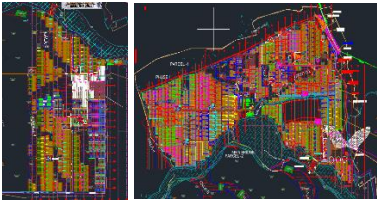
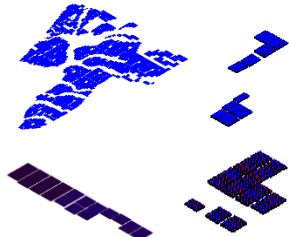
4.1 Plant Layout Design Review

SgurrEnergy was provided with as-built plant layout and electrical schematics for each project plant layout for ISTS-2 is not provided in the portfolio. SgurrEnergy has verified the plant configuration with electrical schematics provided by the Client. Furthermore, based on the topographic details along with the plant layout, SgurrEnergy has developed accurate shading scenes within PVsyst to assess the loss due to inter-row shading. The table below illustrates the layouts shared along with the shading scenes created within PVsyst.

Table 4-3: PV Plant Layout and PVsyst Shading Scenes

Project Site	CAD Layout	PVsyst 3D Scene
ASPL		
BREPL		



Project Site	CAD Layout	PVsyst 3D Scene
Goyalri		
ISTS-1		
SECI_RJ		
NSPL		
REWA		

System Design Validation

SgurrEnergy performed a detailed analysis to check the string sizing and compatibility of inverters with PV modules used for the Project based on site-specific weather data and technical characteristics of the components. The following sections discuss the results obtained from the analysis.



4.2 String Sizing

Plant layouts and DC schematics provided by the Client indicate the number of solar PV modules connected in series to form a string.

As the string voltage is dependent on temperature and irradiation, open circuit voltage (V_{OC}) of string must be corrected using the temperature coefficient for the PV module. Therefore, it becomes necessary to ensure that the maximum voltage input (i.e. the maximum V_{OC} of string at minimum temperature) to inverter does not exceed the inverter maximum operating D.C voltage and hence is a critical value considered by SgurrEnergy in validating string configuration. Subsequent to calculating open circuit voltage ($V_{OC\ max}$), maximum power voltage ($V_{MPP\ MIN}$) is calculated to ensure that it is within the maximum power point (MPP) range of the inverter. SEI considers the maximum and minimum ambient temperature at every project site respectively for system design validation to be fair and representative for the site.

Table 4-4 present the result of the string sizing validation conducted for the Project Portfolio based in India.



Table 4-4: String Sizing Validation

Site Name	Location	PV Module Details	Number of Modules in Series	Inverter Details	Comment
ASPL	Gujarat	Canadian 315Wp	21	GE Power Conversion (1000 kW), SMA (1000 kW)	Accepted
		Canadian 320Wp	21		Accepted
		Canadian 320Wp	31		Accepted
		Canadian 325Wp	21		Accepted
		First Solar 117.5Wp	16		Accepted
BREPL	Andhra Pradesh	Trina 310Wp	20	TMEIC (500 kW, 750 kW)	Accepted
Goyalri	Rajasthan	Canadian 315Wp	20	GE Power Conversion (1000 kW), SMA (1000 kW)	Accepted
		Canadian 320Wp	20		Accepted
		Canadian 320Wp	30		Accepted
		Canadian 325Wp	20		Accepted
		First Solar 117.5Wp	15		Accepted
ISTS-1	Rajasthan	Jinko 405Wp	29	Sungrow (3125 kW)	Accepted
		Jinko 410Wp	29		Accepted
		Canadian 355Wp	30		Accepted
		Canadian 360Wp	30		Accepted
		Canadian 365Wp	30		Accepted
		Canadian 370Wp	30		Accepted
ISTS-2	Rajasthan	Longi 540Wp	29	Sineng (3125 kW)	Accepted



Site Name	Location	PV Module Details	Number of Modules in Series	Inverter Details	Comment
SECI_RJ	Rajasthan	Jinko 460Wp	27	Sungrow (3125 kW)	Accepted
		Jinko 465Wp	27		Accepted
		Jinko Bifacial 455Wp	27		Accepted
		Jinko Bifacial 460Wp	27		Accepted
		Longi 445Wp	29		Accepted
		Longi 450Wp	29		Accepted
NSPL	Telangana	Hanwha 315Wp	21	GE Power Conversion (1000 kW), SMA (1000 kW), Huawei Technologies (43 kW), Hitachi (1000 kW)	Accepted
		Hanwha 320Wp	21		Accepted
		Hanwha 320Wp	31		Accepted
		Trina 315Wp	21		Accepted
		First Solar 117.5Wp	15		Accepted
REWA	Madhya Pradesh	Trina 340Wp	31	TMEIC (2550 kW), ABB (2000 kW), Huawei Technologies (160 kW)	Accepted
		Trina 345Wp	31		Accepted
		Longi 340Wp	31		Accepted
		Longi 345Wp	31		Accepted
		Longi 365Wp	30		Accepted
		Canadian 320Wp	31		Accepted
		Canadian 325Wp	30		Accepted
		Canadian 325Wp	31		Accepted
		Canadian 330Wp	31		Accepted



Site Name	Location	PV Module Details	Number of Modules in Series	Inverter Details	Comment
		Jolywood 360Wp	30		Accepted



4.3 Inverter Compatibility

The total numbers of modules that are connected to the inverter indicate the maximum power (P_{MPP}) loading at STC which helps in identifying the P_{NOM} ratio. Additionally, the number of strings helps in identifying the total input current of the inverter which is compared with the maximum allowable input current of the respective inverters. Therefore, it becomes necessary to ensure that it is within the limit in validating the inverter compatibility.

Table 4-5 presents the result of the analysis conducted for inverter compatibility validation for plants portfolio.

The graphs in the table below indicate the theoretical output of the strings does not exceed the higher margin of the inverter's MPPT window. Additionally, it is also validated that the inverter input current does not exceed the maximum input current in the system.



Table 4-5: Inverter Compatibility Validation

Site Name	Location	Inverter Details	Comment
ASPL	Gujarat	GE Power Conversion (1000 kW)	Accepted
		SMA (1000 kW)	Accepted
BREPL	Andhra Pradesh	TMEIC 500 kW	Accepted
		TMEIC 750 kW	Accepted
Goyalri	Rajasthan	GE Power Conversion (1000 kW)	Accepted
		SMA (1000 kW)	Accepted
ISTS-1	Rajasthan	Sungrow (3125 kW)	Accepted
ISTS-2	Rajasthan	Sineng (3125 kW)	Accepted
Seci_RJ	Rajasthan	Sungrow (3125 kW) with Monofacial Modules	Accepted
		Sungrow (3125 kW) with Bifacial Modules	Accepted
NSPL	Telangana	GE Power Conversion (1000 kW)	Accepted
		Huawei Technologies (43 kW)	Accepted
		Hitachi (1000 kW)	Accepted
		SMA (1000 kW)	Accepted
REWA	Madhya Pradesh	TMEIC (2550 kW)	Accepted
		ABB (2000 kW)	Accepted
		Huawei Technologies (160 kW)	Accepted



5 Electrical Design Overview

An electrical network is required to collect energy from the PV array and export it to the grid. The electrical network for a PV project comprises of DC electrical network between the PV array, String combiner box and central inverters. Power generated by central/ string inverter is stepped up by inverter duty transformers to 33kV voltage level. A medium voltage (MV) AC system connects the MV transformers to MV switchgear, subsequently connecting power to the utility grid network.

SgurrEnergy was provided with electrical schematics of solar PV plants under evaluation to evaluate the overall electrical scheme. The electrical schematics describe the overall connection of the PV modules; string monitoring box, central inverters, MV transformers, and MV switchgear panel as well as ratings of all the components.

5.1 PV Power Transfer

5.1.1 25MW_{AC} and 40MW_{AC} ASPL

SgurrEnergy has reviewed the medium voltage electrical schematics provided. The evacuation arrangement of both the ASPL plants is similar.

The medium voltage electrical schematics describe the overall connection of inverter duty transformers, 33kV outdoor VCB, C&R panel and Double-Pole structure arrangement. The power is stepped up to 66kV using 25/31.5MVA 66/33kV power transformers. From PSS to 220/66kV GSS at Charanka, approximately 5km 66kV 1Cx630sqmm cable is used for power evacuation.

5.1.2 10MW_{AC} BREPL

SgurrEnergy has reviewed the medium voltage electrical schematics provided by the client. The medium voltage electrical schematics describe the overall connection of inverter duty transformers, 33kV outdoor VCB, C&R panel and Four Pole structure arrangement. 33kV transmission line interconnects the Plant Substation (PSS) with TNEB Substation.

5.1.3 6x10 MW_{AC} GOYALARI

SgurrEnergy has been provided with only AC and DC SLDs. No GSS end SLD is available to comment on the evacuation arrangements. As per AC SLD 3C 300sqmm cable is provided from outgoing feeder of 33kV main switchgear panel to PSS.

SgurrEnergy will not be able to comment on the adequacy of evacuation arrangements as the necessary documents are not available for review. However, considering the operational status of the project and site visit observations, SgurrEnergy considers it to be at low risk and does not raise any concern.

5.1.4 250MWAC ISTS -1

SgurrEnergy has reviewed the medium voltage electrical schematics. The medium voltage electrical schematics describe the overall connection of inverter duty transformers, 33kV outdoor VCB, C&R panels and 33kV outdoor feeders including 33kV outdoor ACBs, Isolators, CTs and PTs at PSS. Schematics of 220/33kV sub-station were reviewed as per the below mentioned drawings:

- “19007-EA-ECD-001-02- PLANT AC SLD_R3” – AC SLD

Based on the above drawing, ten 33kV feeder of 25MW capacity are provided to transmit power from 33kV level to 220kV. Three Power Transformer outgoing feeder are provided for stepping up the voltage from 33kV to 220kV. However, power transformer rating and details are not mentioned in the SLD due to which SgurrEnergy would not be able to comment on the adequacy of evacuation arrangements. However, considering the



operational status of the project and site visit observations, SgurrEnergy considers it to be at low risk and does not raise any concern.

5.1.5 42 MW_{AC} NSPL

SgurrEnergy has not been provided with GSS SLD and Transmission Line route survey and tower schedule. With reference to the plant end AC SLD it is understood that evacuation is achieved on 132kV level as two power transformers of 25/31.5 MVA are provided at plant substation.

Due to the unavailability of required documents, SgurrEnergy would not be able to comment on the sufficiency of the evacuation arrangements. However, considering the operational status of the project and site visit observations, SgurrEnergy considers it to be at low risk and does not raise any concern.

5.1.6 250MW_{AC} REWA

SgurrEnergy has reviewed the medium voltage electrical schematics. The medium voltage electrical schematics describe the overall connection of inverter duty transformers, 33kV outdoor VCB, C&R panels and 33kV outdoor feeders including 33kV outdoor ACBs, Isolators, CTs and PTs at PSS. Schematics of 220/33kV sub-station were reviewed as per the below mentioned drawings:

- “1800-EA-ECD-001-02” – AC SLD
- “220/33kV Pooling S/S at Badwar” – Switchyard SLD.

Certain discrepancy was observed in the above documents with respect to System Design Sheet:

- In AC SLD rating of Huawei string inverter is indicated as 90kW whereas in SDS it is mentioned as 190kW.
- Number of inverters in AC SLD are indicated as 235 whereas as per SDS the number of inverters are 203.

Voltage is stepped up from 33kV to 200kV using three 80/100MVA power transformers at PSS. A 220kV double circuit line is used to evacuate power from PSS to 400/220kV GSS (PGCIL Sub-station) at Basraita.

Based on the review of power evacuation arrangements, design of the PSS and the 33kV MV scheme, SgurrEnergy observes the plant to be appropriately designed for 250MW_{AC} capacity.

5.1.7 200MW_{AC} SECI RJ

SgurrEnergy has reviewed the medium voltage and high voltage electrical schematics provided by the client. The medium voltage electrical schematics describe the overall connection of inverter duty transformers, 33kV VCB, C&R panel and 33kV outdoor MV panel board near MCR. Power is stepped up from 33kV to 220kV using three 80/100MVA power transformers at PSS. A 220kV transmission line interconnects the PSS with SECI substation (RRV PNL).

Based on the review of AC SLD and overall schematics, SgurrEnergy observes the system to be appropriately designed for a 250MW plant. However, only single circuit transmission line of 220kV is considered for the project. Double circuit transmission line should have been considered to meet N-1 contingency and additional system redundancy, however considering the latest grid regulation, redundancy is required only for projects above 1000MW project capacity projected connected to ISTS.



5.1.8 250MW_{AC} ISTS-2

The AC Single line diagram provided does not indicate the outgoing power transformer ratings. Details of the 220kV bus are also not indicated. As per the 33kV bus, it is understood that the MV system consists of 20 incoming feeders, one spare feeder and two 'Proposed SVG feeders'. The spare feeder can handle upto 12.5MVA and the 'Proposed SVG feeders' 30% of outgoing power transformer capacity. Two bus-couplers are provided on the 33kV bus which are by-default in 'open' position. In case of any one power transformer failure, power from 4 to 6 incoming feeders can be diverted to the adjacent power transformer by closing the bus-coupler. However, this operation can be performed only when the incoming feeders are generating at approximately 60% capacity as more than 60% generation would exceed the maximum load of the power transformer i.e. 100MVA (assuming power transformer rating to be 80/100MVA; similar to ISTS-1).

5.1.9 Conclusions of Power Evacuation:

- Based on the available documents, evacuation arrangements could not be fully ascertained for the given portfolio projects. Transmission line tower schedules and GSS end SLD were not provided for most of the projects.
- However, based on AC SLDs and GSS end SLDs of few of the projects (ASPL, BREPL and Rewa), evacuation arrangements were found to be adequate and SgurrEnergy raises no particular concern for those particular projects.
- The Projects ISTS-1 ISTS-2 and Goyalri are operational and hence SgurrEnergy does not raise any concern.

5.2 Cabling

DC cabling comprises PV module leads, and string cables connecting the PV module strings to the string combiner box. Modules are interconnected in series with module leads to form PV strings. The outputs of such strings are connected to the string combiner box as input through 1Cx6mm² Copper DC string cables. The output of the string combiner box is connected to the central inverter using a DC main cable of size 1Cx300/400mm² Aluminium cables.

AC cabling comprises of multiple runs of single core AC cables connecting AC output with LV of Inverter Duty Transformer. 3 core HT cables of 185mm², 300mm² and 400mm² then connect IDT with ICOG and HT panels. 3 core HT cables of 185mm², 300mm² and 400mm² further interconnect with 33kV Main Switchgear Feeders.

5.2.1 25MW_{AC} and 40MW_{AC} ASPL

5.2.1.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 17008-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.89	Information on grouping and grouping factors not given
SCB	Inverter	1Cx300/400mm ²	0.61	Depth of laying and respective derating not considered

5.2.1.2 AC Cabling



Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications			Doc. Referred: 17008-EA-EDE-004-00 17008-EA-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
Central inverter	4400kVA Inverter duty transformer	4Rx1Cx300mm ²	0.85	Short Circuit Capacity not considered
4400kVA Inverter duty transformer	HT Panel at ICR	1Rx3Cx185mm ²	0.47	
ICOG	Main HT Panel	1Rx3Cx185mm ²	0.47	

5.2.2 ASPL 40MW_{AC}

5.2.2.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 17008-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.89	Information on grouping and grouping factors not given
SCB	Inverter	1Cx300/400mm ²	0.61	Depth of laying and respective derating not considered

5.2.2.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the AC system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 17007-EA-EDE-004-00 17007-EA-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
central inverter	4400kVA Inverter duty transformer	4Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
GE central inverter	2200kVA Inverter duty transformer	3Rx1Cx300mm ²	0.85	Short Circuit Capacity not considered
4400kVA Inverter duty transformer	HT Panel at ICR	1Rx3Cx185mm ²	0.47	
ICOG	Main HT Panel	1Rx3Cx185mm ²	0.47	



5.2.3 10MW_{AC} BREPL

5.2.3.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 15004-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.89	Information on grouping and grouping factors not given
SCB	Inverter	1Cx300mm ²	0.748	Depth of laying and respective derating not considered

5.2.3.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 17008-EA-EDE-004-00 17008-EA-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
central inverter	1500kVA Inverter duty transformer	3Rx1Cx300mm ²	0.78	Short Circuit Capacity not considered
1500kVA Inverter duty transformer	33kV HT Panel	1Rx3Cx185mm ²	0.62	
33kV HT Panel	DP Structure	1Rx3Cx185mm ²	0.62	

5.2.4 6x10 MW_{AC} GOYALRI

5.2.4.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 17004-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.712	
SCB	Inverter	1Cx400mm ²	0.582	Depth of laying and respective derating not considered

5.2.4.2 AC Cabling



Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 17004-EA-EDE-004-00 17004-EA-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
Central inverter	4400kVA Inverter duty transformer	4Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
Central inverter	2200kVA Inverter duty transformer	3Rx1Cx300mm ²	0.85	Short Circuit Capacity not considered
Central inverter	2200kVA Inverter duty transformer	4Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
4400kVA Inverter duty transformer	HT Panel at ICR	1Rx3Cx185mm ²	0.42	Derating factors are inconsistent with the standards, but the cables are adequately sized.
ICOG	Main HT Panel	1Rx3Cx185mm ²	0.62	Derating factors are inconsistent with the standards, but the cables are adequately sized.
Main HT Panel	DP Structure	1Rx3Cx185mm ²	0.62	Derating factors are inconsistent with the standards, and the cables are considered unsafe.

5.2.5 250MW_{AC} ISTS -1

5.2.5.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 19007-ED-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.621	Temperature derating considered for 50 °C is 1.09.
SCB	Inverter	1Cx300/400mm ²	0.562	

5.2.5.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):



AC Cable Sizing Specifications.			Doc. Referred: 19007-EA-EDE-004-00 19007S-EA-EDE-006-00	
Location		Sizes	Derating Factor	Comments
From	To			
LT Panel	12500kVA Inverter duty transformer	7Rx1Cx400mm ²	0.84	
HT Switchgear	100000kVA Power Transformer	4Rx1Cx800mm ²	0.78	

5.2.6 42 MW_{AC} NSPL

5.2.6.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 17002-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.89	Information on grouping and grouping factors not given
SCB	Inverter	1Cx400mm ²	0.61	Depth of laying and respective derating not considered

5.2.6.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 17007-EA-EDE-004-00 17007-EA-EDE-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
SMA central inverter	2200kVA Inverter duty transformer	5Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
SMA central inverter	4400kVA Inverter duty transformer	5Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
Hitachi central inverter	1100kVA Inverter duty transformer	6Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered
Huawei central inverter	2000kVA Inverter duty transformer	7Rx1Cx300mm ²	0.8	Short Circuit Capacity not considered



AC Cable Sizing Specifications.			Doc. Referred: 17007-EA-EDE-004-00 17007-EA-EDE-003-00	
4400kVA Inverter duty transformer	33kV ICOG Panel	1Rx3Cx185mm ²	0.77	
33kV ICOG Panel	Main HT Panel	1Rx3Cx185mm ²	0.53	

5.2.7 250MW_{AC} REWA

5.2.7.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 18001-ED-EDE-005-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx6mm ²	0.65	
SCB	Inverter	1Cx240mm ²	0.61	

5.2.7.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 18001-EA-EDE-003-01	
Location		Sizes	Derating Factor	Comments
From	To			
5.1 MVA Inverter duty transformer	HT Panel at IC Station	1Rx3Cx185mm ²	0.88	
HT Panel at IC Station	33kV Main HT panel at MCR	1Rx3Cx185mm ²	0.88	
HT Panel at IMC	HT Panel at PSS	1Rx3Cx400mm ²	0.74	

5.2.8 200MW_{AC} SECI RJ

5.2.8.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:



DC Cable Sizing Specifications			Doc. Referred: 20009-ED-ECD-003-00	
Location		Sizes	Derating Factor	Comments
From	To			
Two Parallel Strings	SCB	1Cx4mm ²	0.774	
SCB	Inverter	1Cx300/400mm ²	0.61	Depth of laying and respective derating not considered

5.2.8.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. Cable sizing calculations were verified for sufficiency of the cables for required ampacity (current carrying capacity):

AC Cable Sizing Specifications.			Doc. Referred: 20009-EA-EDE-003-00 20009-EA-EDE-002-00	
Location		Sizes	Derating Factor	Comments
From	To			
Central inverter	12500kVA Inverter duty transformer	10Rx1Cx400mm ²	0.84	
12500kVA Inverter duty transformer	ICOG	1Rx3Cx300mm ²	0.64	
ICOG	Main MV Panel	1Rx3Cx300mm ²	0.64	

5.2.9 250MW_{AC} ISTS-2

5.2.9.1 DC Cabling

Following table provides details of the DC cable sizes used in the PV plant and their respective sizing and derating calculations were verified as per cable sizing calculations:

DC Cable Sizing Specifications			Doc. Referred: 21001-ED-EDE-002-01	
Location		Sizes	Derating Factor	Comments
From	To			
String	SCB	1Cx4mm ²	0.697	
SCB	Inverter	1Cx300/400mm ²	0.65	Depth of laying and respective derating not considered

5.2.9.2 AC Cabling

Following table provides details of single core LT power cables and 3 core HT power cables used at various locations in the system. The cables have been identified from the HT and LT cable schedules. Since the Cable sizing calculations were not available, the adequacy of the selected cables cannot be determined. However, based on the full load currents for LT and HT cables, sizes considered appear to be sufficient in comparison to systems with similar IDT and Inverter ratings and as per full load currents of the inverter and IDTs used in the project.



AC Cable Sizing Specifications.			Doc. Referred: 21001-EA-EDE-007-00 21001-EA-EDE-006-00	
Location		Sizes	Derating Factor	Comments
From	To			
3125kW Inverter	12500kVA Inverter duty transformer	10Rx1Cx400mm ²		Sizing Calculations not available
12500kVA Inverter duty transformer	ICOG	1Rx3Cx300mm ²	0.91	Sizing Calculations not available
ICOG	Main HT Panel	1Rx3Cx300mm ²	0.655	Sizing Calculations not available

5.2.10 Conclusions on DC and AC Cabling:

- DC and AC cables are adequately sized for ASPL, BREPL, ISTS-1, NSPL, REWA and SECI projects. AC cable sizing was found to be inadequate for HT cable in Goyalari.
- In the sizing calculations, certain derating factors such as temperature derating, depth of laying, grouping factors were found to be missing in few of the projects. However, SgurrEnergy has accounted for the additional deratings and most of the cables were found to be adequately sized for required ampacity.

SgurrEnergy observes that most of the sizing calculation documents are not 'good for construction' but preliminary design calculations where certain factors have not been considered in sizing. However, based on SgurrEnergy's independent validation following the equipment full load currents, the cable sizes appear to be of sufficient size.

- Short circuit capacity has not been considered for LVAC single core cables from Inverter to IDT. However, as the transformer windings on LV are Delta, 3ph ground fault event can occur only when cable failure simultaneously occurs in all the three phases, the likelihood of which is very less. Moreover, LV bus ducts are used in large scale projects such as REWA, ISTS-1 and ISTS-2 where the likelihood of LV ground fault is further minimized. SgurrEnergy raises no concern as the severity is minimal.



6 Civil Structures

6.1 Geotechnical Investigation Report

Geotechnical investigation is essentially carried out to understand the soil parameters of the project location to evaluate the type and sizes of foundations to be installed. Soil reports mainly contain information of Bore log, soil classification, Standard penetration test (SPT) results, shear test parameters like cohesion and angle of internal friction. The reports also highlight detail information like number of bore holes with its locations and SBC value calculated at each level of bore log where soil profile changes. The recommendations and conclusions over soil investigation help structural engineer to take call over provision of foundation type with sound recommendations. It also helps to calculate pile capacities and Safe Bearing capacities of soil.

6.1.1 ASPL

For 25 MW

The Geotechnical Investigation report undertaken by Unique Engineering services (Report No-160730-116/98/01) was provided for review. The investigation was carried out in August 2016.

The investigation was carried out using 12 boreholes with a 6.0m depth of exploration below natural ground level. The top layer of soil is majorly comprised of sandy clay soil followed by silty clay. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

For 40 MW

The Geotechnical Investigation report undertaken by Unique Engineering services (Report No-160730-116/98/01) was provided for review. The investigation was carried out in August 2016.

The investigation was carried out using 18 boreholes with a 6.0m depth of exploration below natural ground level. The top layer of soil is majorly comprised of sandy clay soil followed by silty clay. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.2 BREPL

The Geotechnical Investigation report for the 10MW PV power plant (Report No-15132-EA-ANR-002-00) was provided for review. The investigation was carried out in August 2015.

As per the report, the investigation was carried out using seven boreholes with a 10m depth of exploration below natural ground level. The soil overburden encountered at the site is generally silty clayey sand with gravel. The rock encountered at the site is granitic gneiss and is highly disintegrated. The groundwater table was encountered during



fieldwork at some borehole locations (BH-02,03 and 04) minimum at 1.0m depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.3 Goyalri

The Geotechnical Investigation report for the 60MW PV power plant (Report No-G(D)4005) was provided for review. The investigation was carried out in August 2016.

As per the report, the investigation was carried out using 50 boreholes with a 6m depth of exploration below natural ground level. The Stratum-I (top layer) of soil is majorly comprised of silty sandy with gravel/ sand with silt soil followed by stratum-II constituted of clayey sandy silt with occasional gravel. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.4 ISTS-1

The Geotechnical Investigation report undertaken by Unique Engineering services for the 250MW PV power plant (Report No-19007-EC-ECD-002-00) was provided for review. The investigation was carried out in February 2020.

As per the report, the investigation was carried out using 29 boreholes with a maximum 8m depth of exploration below natural ground level. The soil encountered at the site is generally brownish poorly graded to medium-grained sand mixed with little kankars (gravels) followed by over consolidated soft sandstone fragments. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.5 ISTS-2

The Geotechnical Investigation report undertaken by Nagadi Consultant Private Limited for the 250MW PV power plant (Report No-21001-EC-ECD-002-00) was provided for review. The investigation was carried out in June 2021.

As per the report, the investigation was carried out using 40 boreholes with a maximum 6m depth of exploration below natural ground level.

The soil encountered at the site is generally medium dense sandy soil with trace of silt upto the depth of refusal followed by brownish/pinkish white conglomerate over consolidated soft sandstone fragments. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.



The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.6 NSPL

The Geotechnical Investigation report for the 42MW PV power plant (Report No-G(H)1687) was provided for review. The investigation was carried out in February 2017.

As per the report, the investigation was carried out using 28 boreholes with a maximum 5m depth of exploration below natural ground level. The Stratum-I (top layer) of soil is majorly comprised of clayey silty sand / silty sand with/without gravel followed by stratum-II constituted of granite-based highly weathered rock following stratum-III of granite rock. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.7 REWA

The Geotechnical Investigation report for the 250MW PV power plant (Report No-G(D)4072) was provided for review. The investigation was carried out in June 2017.

As per the report, the investigation was carried out using 25 boreholes with a maximum 6m depth of exploration below natural ground level (NGL). The soil encountered at the site consists of sandstone down to the depth of investigation with thin soil overburden up to 0.5m depth below NGL. The groundwater table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.8 SECI_RJ

The Geotechnical Investigation report for the 200MW PV power plant (Report No-20009-EC-ECD-002-00) was provided for review. The investigation was carried out in August 2016.

As per the report, the investigation was carried out using 42 boreholes with a 6.5m depth of exploration below natural ground level. The top layer of soil is comprised of majorly silty sandy soil followed by gravel with sandy soil and finally murrum. The ground water table was not encountered during fieldwork up to the depth of investigation.

The Safe Bearing Capacity of the soil is also provided at various depths required for the design of isolated spread foundations.

The shear strength parameters of the soil like cohesion and angle of internal friction are provided for the soil layers. The report provided contains adequate information to understand the soil characteristics for the design of foundations.

6.1.9 Conclusion

On reviewing the provided geotechnical investigation reports for all the nine sites it is observed that the reports primarily include information of number of boreholes,



groundwater depth, description of soil profile, values of SBC as function of depths along with shear strength parameters of soil.

We can conclude that all reports contain adequate and necessary information related to soil characteristics for design of foundation and all reports are at par to the standard industrial requirements.

6.2 Topography / Levelling and Grading

6.2.1 ASPL

SgurrEnergy has been provided with the topography layouts for 25MW and 40MW sites in CAD format. The topographic layouts indicate the true north and the plant boundary is marked on the layouts.

The topographical layouts show spot-level data at a grid size of 5x5m. In addition, contours with 0.2m intervals are provided. SgurrEnergy considers the spot levels and contour intervals to be appropriate. Legends table and boundary coordinates are also provided on the layouts.

The topographic layout also shows features like bunds, culverts, trees and well present inside the plant boundary. The topographical layout shows the canal passing through the plant boundary. As per array layout, the same area is not considered for module mounting. SgurrEnergy raises no concerns on the same.

As per the topographic layout, the site appears to be having a flat to mild slope. Hence the module mounting structure can be aligned following to the ground profile. SgurrEnergy has no concern regarding the same.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy has no major concern on the topographic layout of the site.

6.2.2 BREPL

SgurrEnergy has been provided with topographical layouts in CAD and PDF format. As per topography layout, the plant site has an approximate area of 46acres. The topographical layout does not indicate the true north. However, the plant boundary is marked on the topographic layout.

The topographical layout shows spot-level data at a grid size of 5X5m. Also, contours with 0.3m intervals are provided. The legends table and boundary coordinates are not provided on the layout.

The topographical layout does not show the natural stream and pond location inside the boundary while this natural stream and pond is marked in the array layout. These features are considered in the array planning; hence it is not a major concern.

As per the topographic layout, the site appears to be having mild slope towards the North and West with small local undulations. Hence the module mounting structure can be aligned following to ground profile.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy raises no concern on the topographical layout of the site.

6.2.3 Goyalri

SgurrEnergy has been provided with a topographical layout in CAD format. The project is having capacity of 60MWAC and has an approximate area of 432acres. The topographical layout does not indicate the true north. The plant boundary is marked on the topography layout.

The topographical layout shows spot-level data at grid size of 5X5m. Also, contours with 0.5m intervals are provided. The legends table and boundary coordinates are also



provided on the layout. The survey outside the boundary is provided which is a good practice.

The existing topographical features like BT road, gravel road, katcha rasta, Paal HT line, electric line, tree fencing line, room and water tank are marked on the topographical layout.

As per the topographic layout, the site appears to be having mild slope with minor undulation. Hence the module mounting structure can be aligned following to the ground profile.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy has no major concern on the topographic layout of the site.

6.2.4 ISTS 1

SgurrEnergy has been provided with a topographical layout in CAD and PDF format. The layout indicates the true north and legend table.

The topographical layout shows spot-level data of grid size of 5X5m. Also, contours with 0.5m intervals are provided. The legends table and boundary coordinates are not provided on the layout. The survey outside the plant boundary is also carried out which is a good practice.

Some features like gravel road, HT line, tree, Electric line and DGPS point are marked on the layout and the same has been included in the legend table.

As per array layout, the area under the HT line is left out and MMS tables are not placed under this corridor. SgurrEnergy considers this to be appropriate.

As per the topographic layout, the site observed to be flat land sloping towards the east. The site seems to be having very less local undulations. Hence the module mounting structure can be aligned following to ground profile.

As per the site observations, the site is flat and appropriate grading has been done as per industry standard. It is in line with the topography layout.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy has no major concern on the topographic layout of the site.

6.2.5 ISTS 2

SgurrEnergy has been provided with a topographical layout in PDF format. The CAD file of topography is not provided. The layout indicates the true north and legend table.

The topographical layout shows the contour lines marked inside the boundary. However, the contour elevation value shown on the topographic map is not readable. Hence, slope and elevation details cannot be verified from the layout. In addition, the layout does not show spot-levels and boundary coordinates data.

Some topographical features like trees, roads, pakka house, kachha house and water reservoir are shown in the legend table but not shown on the topographical layout. Hence, the impact of these topographical features cannot be verified with the project planning.

As per the hydrological report, 70% of the land has a slope less than 3 degree. However, this analysis is based on open-source satellite data. Hence, it may have some variation with the actual surveyed data. As per the site observations, the land was observed to be moderately undulated and levelling grading was noted to be done at multiple locations.

In all, due to the absence of topography layout in CAD format and inadequacy of data, SgurrEnergy is unable to adequately review the topography of ISTS II site. Since the site is operational SgurrEnergy raises no major concern.



6.2.6 NSPL

SgurrEnergy has been provided with a topography layout in CAD and PDF format. The project capacity is 42MWAC having an approximate area of 258.672 Acres. The topographic layout indicates true north and the plant boundary is clearly marked on the topographical layout.

The topographical layout shows spot-level data of grid size of 5X5m. Also, contours with 0.5m intervals are provided. The legends table and boundary coordinates are also provided on the layout.

The topographic layout shows features like drains, ponds, rocky areas, sand areas, garden, culverts, electric lines, wells, tube wells and buildings inside the plant boundary. 132kV and 225kV HT lines passing inside the boundary are also marked on the topographical layout. The river flowing outside the northern boundary is also marked on the topographic layout. As per array layout, the HT line corridors are not used for aligning the structures. SgurrEnergy considers it to be appropriate.

As per the topographic layout, the site appears to be having a mild slope towards the North. There are some undulations noted inside the plant boundary that may have required grading for aligning the structures. However, in the absence of grading layout, SgurrEnergy is unable to verify the grading provided at site.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy has no major concern on the topographic layout of the site.

6.2.7 REWA

SgurrEnergy has been provided with topography layouts in CAD and PDF format. The site has an approximate area of 1250acres. The topographical layout clearly indicates the true north and the plant boundary is also clearly marked on the topographic layout.

As per the topography layout, contours are provided with an interval of 0.5m while the spot levels are not provided. The legends table and boundary coordinates are also not provided in the layout. From the layout, it is observed that the contours are not covering the whole area inside the plant boundary.

The topographic layout shows a natural stream and pond are present inside the plant boundary and as per the array layout, this area is not utilized for aligning the mounting structures. SgurrEnergy has no issues regarding the same.

As per the topographic layout, the site appears to be having slope towards the river that is flowing through the middle of the site. Some undulated areas are observed inside the plant boundary. SgurrEnergy noted that the module mounting structures are aligned over the undulated areas. However, in the absence of site grading plan, adequacy of grading cannot be verified.

As per the site profile noted during the site visit, the site has a mild slope and no grading has been performed. The module mounting structures are aligned following the ground profile.

Based on the provided data and the site visit observations, SgurrEnergy raises no concern on the topographical layout of the site.

6.2.8 SECI_RJ

SgurrEnergy has been provided the topographic layout in PDF format. The topography layout indicates plant boundary and spot levels. Other details like north, legends and topographical features are not marked on the layout.

However, the elevation data in the form of spot levels and contours are provided in the array layout. The spot-level data at a grid size of 5X5m is provided. Also, contours are provided in the array layout with a 0.5m interval.



As per the topographic layout, the site appears to be having slope towards the south with minor undulations. Such undulations are not a major concern and hence the module mounting structure can be aligned following to the ground profile.

As observed at the site, the site appears to be flat and grading has been conducted in line with the industry standards. This is in line with the topography layout.

Based on the provided data and considering that the plant is already commissioned and operational, SgurrEnergy has no major concern on the topographic layout of the site.

Conclusion:

Subsequent to review of topography data provided and the site visit observations, SgurrEnergy is of the opinion that topography survey conducted by the Developer is in line with standard industry practice. Site observations indicate that the module mounting structure have been appropriately aligned following the ground profile.

6.3 Internal and Peripheral Roads

6.3.1 ASPL

SgurrEnergy has been provided with a separate road layout and road cross-section document for 25MW and 40MW sites, which comprises the road alignment and road cross-sections of moorum road. The road design document has not been provided.

As per road layouts, the roads are provided in the form of the peripheral road and Control room access road. The road coordinates and turning radius are not shown on the layout. As per road layout, both the peripheral as well as the access road are in the form of moorum road. However, as per the cross-section drawings, the access road to the control room is WBM road. This is a discrepancy as the road type is not clear.

As per the road cross-section document, a typical cross-section of moorum and WBM road is provided. The peripheral moorum road is having a thickness of 275mm. Out of the total width of 4m, the width of moorum road carriageway is 3m and 0.5m shoulder are provided on both sides of the carriageway. The Water Bound Macadam (WBM) road is having layers of 75 mm thick WBM grade III, 100mm thick WBM grade II and 125mm Granular Sub Base(GSB).

Considering the clayey and expansive type soil at the site, as specified in the soil report, road thickness of WBM road as well as moorum road seem on lower side. However, considering the low traffic expected in the solar plant, SgurrEnergy considers the provided road cross-sections to be adequate with periodic O&M.

6.3.2 BREPL

SgurrEnergy has been provided with the road layout and road cross-section document, which comprises of the road layout and moorum road cross-section. The road design document has not been provided.

As per road layout, only peripheral moorum roads are provided. The internal road and inverter station are not marked on the layout. The total length of moorum road is 4650m which is shown in the legend table. Road coordinates at turning are marked on the road layout but the turning radius is not given.

As per the road cross-section document, a separate typical cross-section of moorum road is provided. The thickness of moorum layer is 300mm. The total carriageway of the peripheral road is 4.5m which includes 3.5m width of moorum filling and 0.5m side shoulder with earth filling on both sides.

Since the plant is in operation, SgurrEnergy expects that connectivity to all the inverter stations to be in place.



6.3.3 Goyalri

SgurrEnergy has been provided with the road layout document. This document comprises the alignment of roads provided at the plant site. The road cross-section and road design documents have not been provided.

As per road layout, the internal and peripheral roads are provided for connecting the control rooms and inverter rooms. Both the roads are in the form of moorum roads. The road coordinates at turning are marked on the road layout. The road width is not mentioned on the layout. However, as per array layout, internal and peripheral roads are 4.5m wide along with shoulders. SgurrEnergy has no concerns regarding the road width.

As road cross-section document is not provided, adequacy of road thickness and material cannot be determined. However, considering the soil type and high soil CBR at the site, it is not a major concern.

SgurrEnergy has no concerns about the road alignment inside the plant boundary. Also, although the road cross-section is not provided, considering the CBR of site soil, it is not a major concern.

6.3.4 ISTS 1

SgurrEnergy has been provided with the cross-section document of moorum road and WBM road. Road design document has not been provided. The road layout has not been provided.

Though road layout is not provided, the road alignment is marked on the array layout and the legend table in array layout mentions the road type to be moorum road. From the array layout, SgurrEnergy considers the road alignment to be appropriate.

There is a discrepancy in the internal and peripheral road type between array layout and section drawings. Array layout indicates the road to be a compacted road whereas section drawing indicates the road to be a moorum road. However, due to high soil CBR value at the site, it is not a major concern.

As per the road cross-section document, the thickness of the moorum layer is 250mm. The total width of the road is 4.5m which includes 3.5m carriageway width of moorum filling and 0.5m side shoulder with earth filling on both sides.

The site observations are in line with the documents provided. The moorum road has been provided inside the site, however, shoulders appear to be damaged.

SgurrEnergy considers the provided road alignment to be appropriate. Though WBM road has a better life, considering the site soil, the provided moorum road can be adequate with appropriate O&M.

6.3.5 ISTS 2

SgurrEnergy has been provided with road cross-section, road layout and road design basis report for this site.

The road layout indicates that access roads, internal roads and peripheral roads are provided. As per road layout, the access road is provided from the main gate to the control room (MCR). The internal roads are provided from MCR to the inverter station and the peripheral road is provided along the boundary. The layout shows that there is good connectivity of all roads inside the plant boundary with MCR, inverter station and main gate. In addition, the road boundary coordinates and turning radius of 6m are marked and shown on the layout.

The road cross-section document shows separate road cross-sections for the access road and internal & peripheral roads. The access road is 4.5m wide with 0.5m shoulders on both sides. While the internal and peripheral roads are 4m wide with 0.5m shoulders on both sides. The thickness of moorum filling shown in cross-section documents for all roads



is 300mm. However, as per the information received during site visit, moorum road 275mm thick is to be provided. However, the soil present at the site is gravelly sand with silt having a soaked CBR value greater than 35, hence the thickness of 275mm moorum layer seems adequate to carry vehicular traffic at the solar plant.

In all, the road thickness proposed and the road alignment seems to be appropriate. Hence, SgurrEnergy has no major concern on the roads alignment and section.

6.3.6 NSPL

SgurrEnergy has been provided with the road layout and road section document, which comprises the road alignment and two separate road cross-sections for the internal WBM road and riverside WBM road. The road design document has not been provided.

As per road layout, peripheral roads are simply compacted type. The internal road from the main gate to MCR and from MCR to all inverter stations are marked on the layout. The road coordinates and turning radius are not shown on the layout.

As per the road cross-section document, separate typical cross-sections of WBM type for internal road and road along the river are given. The internal roads connecting the main gate to MCR and MCR to all inverter stations and transformers is provided with 125 mm thick GSB, 100mm thick WBM grade II and 75mm thick WBM grade III. The road along the riverside is provided with 275 mm thick GSB, 100mm thick WBM grade II and 75mm thick WBM grade III.

Both these roads have total carriageway width of 4.5m which includes a 3.5m width and 0.5m side shoulder on both sides. SgurrEnergy considers the road cross-sections to be adequate.

SgurrEnergy has no concerns about the road alignment and the road cross-sections provided.

6.3.7 REWA

SgurrEnergy has been provided with the road layout and road section document, which comprises the road alignment and moorum road cross-section. The road design document has not been provided.

As per road layout, the moorum road connects the MCR and inverter blocks. The total length of moorum road in parcel 1 is 15280m and in parcel 2 is 4472m. Road coordinates are not provided on the layout.

Seven numbers of culverts are provided at nala crossing in parcel 1 and 19 numbers of culverts are provided at nala crossing in parcel 2.

As per road cross-section drawings, the thickness of moorum road is 300mm. As per the rocky strata present at the site, the road thickness seems adequate.

The total width of moorum road is 4m, which includes 3m carriageway width of moorum filling and 0.5m side shoulders with earth filling on both sides. The width of the carriageway seems to be on a slightly lower side as per IRC standards. However, considering low traffic in the solar plant it is not a major concern.

As observed at the site, the roads are deteriorated and in bad condition due to lack of maintenance and storm water drainage. The roads need to be repaired/reconstructed and maintained.

As per the documents provided, SgurrEnergy considers the provided road alignment and cross-section to be adequate.



6.3.8 SECI_RJ

SgurrEnergy has been provided with the road layout and road section document, which comprises the road alignment and moorum road cross-section. The road design document has not been provided.

As per road layout, internal and peripheral roads are provided. The peripheral and internal roads are moorum roads with 4m and 4.5m in width respectively. As per road layout, the internal road has been provided near the ICRs, however, the connection between these roads is provided with peripheral roads. The peripheral road is lesser in width compared to the internal road, however, since both roads are moorum roads with the same road thickness, it is not a major concern.

The internal roads are 5523m in length while peripheral roads are having a length of 13815m. Road coordinates are marked on the road layout along with the coordinate table.

As per the road cross-section document, a typical cross-section for moorum road having thickness 275mm is provided. Both the internal and peripheral roads have same road thickness.

SgurrEnergy has no concerns about the road alignment inside the plant boundary. Also, considering the CBR of site soil, the road cross-section seems appropriate.

Subsequent to the review of Road documents, SgurrEnergy is of the opinion that the provided roads are appropriate for a solar power plant.

6.4 Storm-Water Drain

6.4.1 ASPL

SgurrEnergy has been provided with storm water drainage layouts along with separate cross-section drawings for 25MW and 40MW Sites. The design documents have not been provided. However, the layouts comprise of the drainage sizing tables.

As per drainage layout, the drains are provided along the periphery and internal roads. In the absence of legends on the drainage layout, the type of drains at different locations cannot be determined. However, as per drainage layouts, the drain alignment seems adequate.

As per the drainage layout of 25MW site, trapezoidal excavated drains are provided. While at the 40MW site, excavated trapezoidal and stone pitched masonry U-shaped drain are provided. Trapezoidal excavated drains have a 300mm bottom width and the U shaped drains in 40 MW site have a bottom width of 800mm. Side slopes of the trapezoidal drains are not marked on the cross-sections. In addition, some of the drain sizes indicated on layout are not matching with the summary table provided in the design report and the design table does not segregate the drain provided in 25MW and 40MW site. However, it is not a major concern.

The desktop-based hydrological and flood assessment is carried out for 1% and 2% AEP events. From the flood depth map, we observed that the canal flowing through the boundary may overflow during high rainfall events. Considering the drainage system, it may mitigate the risk to some extent. However, SgurrEnergy suggests monitoring the site during O&M and providing mitigation measures if required.

SgurrEnergy considers the drainage alignment to be appropriate as per the provided documents and raises no major concern about the drainage layout of the sites. However, in the absence of design parameters in the design report, adequacy of the drains cannot be verified. In addition, there may be flood risk through the canal and it needs to be monitored during O&M for any flood ingress and suitable mitigation measures to be provided.



As per the revised data received from developer, SgurrEnergy has reviewed the documents received for both 25MW and 40MW plant section. The design document for the 25MW site has not been provided. It is noted that the design document for the 40MW plant does not provide the discharge calculations and cannot comment on the adequacy of drainage with only the sizing calculations. However, the drainage layout indicates that the entire plant area is provided with the requisite drainage network.

6.4.2 BREPL

SgurrEnergy was provided with storm water drainage layout for the BREPL site along with a typical cross-section of culverts, trapezoidal drains and U-shaped drains. Summary table for drain design calculation is provided. The detailed design report has not been provided.

As per the drainage layout, it is observed that drains are provided at the periphery, road sides and near the main control room, as per the direction of the ground slope.

The drain sections are provided for RCC trapezoidal drain, concrete masonry U drain and earthen trapezoidal drains. RCC trapezoidal drains are provided from node G5 to G6, H15 to discharge point and M1 to M12 and R18 to Discharge point. Stone-pitched trapezoidal drains are provided at the turnings.

The RCC trapezoidal drain has side slope 1H:1V and the bottom of the drain is provided with 40mm thick PCC of 1:4:8 grade. The trapezoidal drains are also provided with wire mesh of 100X100X3.4mm.

The calculation sheet does not include discharge calculation, runoff coefficient and rainfall details. Only the summary table has been provided.

The desktop-based hydrological and flood assessment is carried out for 1% AEP event. From the flood depth map, we observed that risk of flooding is in the north side of the site boundary due to presence of large external catchments carrying high discharge.

SgurrEnergy has no major concern on the drainage layout of the site. However, if any flood risk is noted at the site, suitable mitigation measures may need to be provided. In addition, in the absence of the design details the suitability of the drainage provided cannot be verified.

As per the revised data received from developer, 'SgurrEnergy has reviewed the Drainage layout, and sectional details with the design basis report. It is noted that dykes are provided on the plant periphery to avoid external flood risk. However, random check of drain sizes indicate that drains are to be inadequate to carry the discharge.

SgurrEnergy suggests to include the discharge calculations and a practical rainfall scenario has to be observed and proper O&M has to be ensured for effective drainage.

6.4.3 Goyalri

SgurrEnergy was provided with storm water drainage layout and drain design sheet for Goyalari Site.

As per the drainage layout, it is observed that drains are provided along periphery, internal road and near the inverter station. The drainage layout seems to be appropriate.

As per the design document runoff calculations and drain sizing calculations are provided. The runoff coefficient is considered as 0.2 and the rainfall intensity is taken as 50mm/hr. The input parameters seem appropriate.

The desktop-based hydrological and flood assessment is carried out for 1% and 2% AEP events. From the flood depth map, we observed that there is less risk of flooding inside the boundary.

As per the documents provided, SgurrEnergy does not have major concerns about the drainage system.



6.4.4 ISTS 1

SgurrEnergy has been provided with storm water drainage layout and the design document along with detailed cross-section drawings.

As per the drainage layout, it is observed that drains are provided along the periphery and near the inverter rooms. The drains are discharging into the recharge pits and ponds constructed inside the site. The recharge pit details are also given on the layout.

As per the design data, rainfall intensity for site location is assumed 37mm/hr. The runoff coefficient considered for the design is 0.5. SgurrEnergy considers the inputs considered to be adequate.

The drain section provided indicates the stone-pitched trapezoidal drain with side slope 1H:2V. The side slope provided for the drain is steep. Mortar has been provided with the drain lining, which gives some stability to the lining. However, it is suggested to inspect the drainage lining during O&M.

The drainage system is found to be in line with the design documents. Stone pitched drains with recharge pits and ponds are noted at the site.

The desktop-based hydrological and flood assessment is carried out for 1% AEP and 2% AEP events. From the flood depth map, we observed that there is no risk of flooding due to external catchment flows and rainfall events.

As per the documents provided and site observations, SgurrEnergy does not have major concerns about the drainage system.

6.4.5 ISTS 2

SgurrEnergy has not been provided the drainage layout and design document. As informed at the site, the drainage documents were under review and hence drainage construction was pending.

Based on the documents submitted the array layout indicates the drainage alignment provided at the site. The alignment seems to be adequate.

As per array layout, some drains are disposing off the runoff water into the ponds which are located inside the plant boundary. While some drains dispose off the water to the outlet discharge points but the details regarding these discharge points are not shown in the array layout.

Further, the drain design review indicate the drains to be appropriately designed.

6.4.6 NSPL

SgurrEnergy was provided with storm water drainage layout for the NSPL site along with a typical cross-section for culverts, trapezoidal drains and U-shaped drains. The design document has not been provided.

As per drainage layout, it is observed that drains are provided at periphery and along internal roads. However, in the absence of legends in the drain layout, the type of drain at different locations cannot be determined.

The drain cross-section is provided for concrete masonry U-shaped drain and earthen trapezoidal drains. The concrete trapezoidal drain has a side slope of 1:1 with 40mm thick PCC of 1:4:8 grade at the bottom. The trapezoidal drains are also provided with wire mesh of size 100X100X3.4mm. The U shape drains are provided with 450mm thick masonry wall with weep holes at c/c spacing of 3m.



The desktop-based hydrological and flood assessment is carried out for 1% AEP event. From the flood depth map, we observed that a river flowing through the boundary may overflow during high rainfall events.

SgurrEnergy has reviewed the drain documents such as drain layout, cross-sections and the detailed design basis. However, SgurrEnergy is unable to comment on the adequacy of drainage sizes as the design document does not have the discharge calculations and check. However, SgurrEnergy suggests to include the discharge calculations and a practical rainfall scenario has to be observed and proper O&M has to be ensured for effective drainage.

6.4.7 REWA

Drain documents are not provided. However, as per the hydrological analysis performed by SgurrEnergy, there is a risk of flooding the array near the streams. Hence, considering the flood risk and presence of moorum roads inside the plant, suitable drains may be required to mitigate the flood risk.

As per the site observations, no drainage is provided at the site. Due to this, the roads have been damaged and some scouring is observed at the site.

Developer's Response – There are no major concerns about drainage requirements as rocky terrain is present and no drainage excavation is possible. However, Other mitigation measures will be acquired by Mahindra by observing the rainfall events and soil erosion at the time of O&M.

6.4.8 SECI_RJ

SgurrEnergy was provided with storm water drainage layout for the site along with a typical cross-section for stone-pitched trapezoidal drains. A separate drain design document is also provided.

As per the drainage layout, it is observed that the drains are provided along the internal roads but not along the roads which are connecting the internal roads. It may pose a risk to the connecting roads.

The stone pitched drains have lining of thickness 150mm with 1:3 cement mortar. 75mm thick PCC of grade 1:4:8 is provided at the bottom of the drain. The Side slope provided to the stone pitched drain is 1H: 2V which is very steep. Though the drains are provided with mortar, which should provide stability to the drain lining, it is suggested to inspect the drain lining during O&M. Typical cross-section for pipe culvert at road crossing is given in the drainage document.

The drain design document comprises of the drainage summary table. The design parameters and calculations are not provided. Hence, SgurrEnergy is unable to comment on the adequacy of the drainage provided.

As noted at the site, the drainage construction is pending and needs to be completed at the earliest. However, the provided drains are in line with the design documents.

The desktop-based hydrological and flood assessment is carried out for 1% AEP and 2% AEP events. There are no external catchments contributing flow towards the boundary. From the flood depth map, we observed that there is no risk of flooding due to high rainfall events.

SgurrEnergy suggests providing the roadside drains to the roads connecting the inverter rooms for the protection of moorum roads. Also, the drainage system need to be completed at the earliest.

SgurrEnergy has received with drainage documents from Developer such as the layout, design sections and the design basis. It is to be noted that the runoff calculation for the catchments are missing from the calculations which is the primary input for the drainage



sizing. SgurrEnergy cannot comment on the adequacy of drainage. However, SgurrEnergy suggests to include the discharge calculations and a practical rainfall scenario has to be observed and proper O&M has to be ensured for effective drainage.

In conclusion, all sites, except Rewa, have sufficient drainage provisions. However, due to site constraints at Rewa, the drainage system is not adequate. To address potential flooding impacts, the developers plan to closely monitor rainfall events and implement measures to address soil erosion during the operation and maintenance phase.

6.5 Local Control Room (Inverter Station)

The structural drawings for the inverter station building typically consist of foundation drawing, platform drawing, general arrangement drawing including details of column, roof beam, purlin, floor beam and connections detail drawings. The drawings generally contain structural details like section sizes, base support arrangement and reinforcement schedule of RCC structural members. Also, the other necessary information such as grade of materials, sectional details, etc. are indicated in the drawings.

The structural design report for the inverter station building and its foundation essentially include input load calculations for dead, live, wind and seismic loads along with the load combinations considered for the design of structure and its foundation. Further, dead load calculation is considering weights of equipment, roof finish and self-weight of structural members. The live load on the floor is applied in accordance with the IS 875 (Part 2): 1987. The wind load calculation is in accordance with IS 875 (Part 3):2015. And, the seismic zone consideration is as per IS 1893-2016. The design report essentially prove that the structural members are safe for the project design life considering strength and serviceability criteria as per the relevant standards.

6.5.1 ASPL

For 25MW and 40MW

The provided foundation layout drawing for inverter station indicates Inverter station is a steel structure resting on the RCC pile caps supported by the RCC pile foundations. The plan dimension of the inverter station is 15.872m x 3.7m, centre to centre.

Structural drawing of platform and shed is not provided for review, the drawing shall essentially include all the details required as per standard industrial practice.

SgurrEnergy has been provided with the Staad report for the Inverter station structure and foundation design calculations, SgurrEnergy confirms that the design is appropriate and compliant with Indian standards. It has been observed that all loads have been adequately considered. Furthermore, the deflection of the members remains within acceptable limits, and the pile foundation demonstrates safety against the bearing, uplift, deflection, and lateral capacity. Therefore, SgurrEnergy has no concerns regarding the design of the Inverter station structure and foundation.

SgurrEnergy is provided with a foundation layout drawing and as per the drawing, RCC pile foundations are provided having 300mm diameter piles with a depth of 2.2m below ground level. The RCC piles are reinforced with six bars of 12mm diameter reinforcement steel and 8mm diameter ties at 150mm spacing. Each pile is provided with a square RCC pile-cap of 600mm X 600mm plan area with a height of 1.0m above the ground level. The pile caps are reinforced with eight bars of 12mm diameter reinforcement steel and 8mm ties at 150mm spacing.

A capacity calculation report for the RCC pile which is supporting the inverter structure is provided for review and a high-level examination indicates the pile capacity is safe to carry the load from the overlaying inverter station and shed structure.



6.5.2 BREPL

The provided foundation layout drawing for containerized inverter station indicates that the container structure is resting on the RCC pile caps supported by the RCC pile foundations. The plan dimension of the inverter station is 7.122m x 2.97m, centre to centre.

SgurrEnergy is provided with a foundation layout drawing and as per the drawing, RCC pile foundations are provided having 450mm diameter piles with a depth of 1.8m below ground level. The RCC piles are reinforced with 16 bars of 12mm diameter reinforcement steel and 8mm diameter ties at 150mm spacing. Each pile is provided with a square RCC pile-cap of 450mm X 450mm plan area with a height of 998mm above the ground level. The pile caps are reinforced with eight bars of 12mm diameter reinforcement steel and 8mm ties at 150mm spacing.

SgurrEnergy is provided with foundation layout drawing, as per the drawing RCC pile of 450mm diameter is at a depth of 1.8m below ground level, which is further reinforced with 16nos of 12mm diameter bar and 8mm diameter ties at 150mm spacing. A square RCC pile cap to support inverter platform of 450X450mm plan area with a height of 998mm above the ground level.

A capacity calculation report for the RCC piles which are supporting the inverter structure is provided for review and a high-level examination indicates the pile capacity appears to be safe to carry the load from the above lying containerized inverter station.

6.5.3 Goyalri, ISTS-1 and ISTS-2

SgurrEnergy has been provided with the design basis report for the Inverter station structure for Goyalri, ISTS-1, ISTS-2, SgurrEnergy confirms that the design is appropriate and compliant with Indian standards. It has been observed that all loads have been adequately considered. Therefore, SgurrEnergy has no concerns regarding the design of the Inverter station structure.

6.5.4 NSPL

The provided foundation layout drawings for all the inverter stations typically indicates that the inverter container or platform is resting on the RCC pile caps supported by the RCC pile foundations. As per the drawing, RCC pile foundations are provided having 300mm diameter with a depth of 2.7m below ground level. The RCC piles are reinforced with six bars of 12mm diameter reinforcement steel and 8mm diameter ties at 150mm spacing. Each pile is provided with a square RCC pile-cap of 600mm X 600mm plan area with a height of 1.0m above the ground level.

As a response from the developer, SgurrEnergy has been provided with the design basis report for the Inverter station structure and foundation design calculations, SgurrEnergy confirms that the design is appropriate and compliant with Indian standards. It has been observed that all loads have been adequately considered. Furthermore, the deflection of the members remains within acceptable limits, and the pile foundation demonstrates safety against bearing, uplift, deflection, and lateral capacity. Therefore, SgurrEnergy has no concerns regarding the design of the Inverter station structure and its foundation.

6.5.5 REWA

The provided foundation layout drawings for all the inverter stations typically indicates that the inverter container or platform is resting on the RCC pile caps supported by the RCC pile foundations. As per the drawing, RCC pile foundations are provided having 275mm diameter with a depth of 900/1200mm below ground level. The RCC piles are reinforced with six bars of 12mm diameter reinforcement steel and 8mm diameter ties at 150mm spacing. Each pile is provided with a square RCC pile-cap of 500mm X 500mm plan area with a height of 1.2m above the ground level.



Capacity calculation report of piles which are supporting inverter structure is provided for review and its high level examination indicates that the pile capacity appears to be safe to carry the load from the overlaying inverter station and shed structure.

SgurrEnergy has been provided with the design basis report for the Inverter station structure and foundation design calculations, SgurrEnergy confirms that the design is appropriate and compliant with Indian standards. It has been observed that all loads have been adequately considered. Furthermore, the deflection of the members remains within acceptable limits, and the pile foundation demonstrates safety against bearing, uplift, deflection, and lateral capacity. Therefore, SgurrEnergy has no concerns regarding the design of the Inverter station structure and its foundation.

Further, as per the site visit corrosion was observed under the platform, on structural member (column, rafter, purlin and roof sheeting). SgurrEnergy suggests to provide anti-corrosive paint at welded portions and other areas where corrosion is observed.

Developer's Response - All types of observed corrosion shall be effectively rectified during the O&M process, and if necessary, appropriate preventive actions can be taken.

6.5.6 SECI_RJ

The provided foundation layout drawings for all the inverter stations typically indicates that the inverter container or platform is resting on the RCC pile caps supported by the RCC pile foundations. As per the drawing, RCC pile foundations are provided having 275mm diameter with a depth of 1500mm below ground level. The RCC piles are reinforced with six bars of 12mm diameter reinforcement steel and 8mm diameter ties at 150mm spacing. Each pile is provided with a square RCC pile-cap of 500mm X 500mm plan area with a height of 1.0m above the ground level.

Structural drawings and design calculation report for inverter skid superstructure indicating details of skid platform and roof shed is not provided for review.

In the absence of a design calculation report and third-party structural stability certificate, SgurrEnergy cannot comment on the adequacy of the super structure.

Moreover, as per site visit it was observed that a gap of approximately 20-30mm identified below the base plate of all the superstructures of inverter stations which does not allow the load of superstructure to distribute uniformly on the column top this will keep all the load on the anchor fasteners causing adverse effect on the life of the anchor fasteners. SgurrEnergy suggests the gap between the base plate and RCC column to be filled with the application of non-shrink grout which will evenly distribute the load of superstructure. Also, the equipment was erected on the superstructure using additionally welded plate on the base frame which not suitable for the stability of structure and deviating the industry standard.

SgurrEnergy suggests the equipment to be adequately fixed with base frame as per the standard industry practice.

Developer's Response - As a response from the developer, Mahindra has provided confirmation that all the mitigation measures recommended by SgurrEnergy have been successfully completed at the site.

6.5.7 Conclusion

On the basis of design and drawings for the Inverter Station structure and foundation, SgurrEnergy conducted a thorough review of the documents. It was evident that the design adheres to standard industrial practices and complies with the applicable Indian standard codes. Consequently, SgurrEnergy expresses no significant concerns regarding the design of the Inverter Station Structure.



6.6 Main Control Room (MCR)

The structural drawings for the MCR building typically consist of foundation drawing, platform drawing, general arrangement drawing including details of column, roof beam, purlin, floor beam and connections. The drawings generally contain structural details like section sizes, base support arrangement and reinforcement schedule of RCC structural members. Also, the other necessary information such as grade of materials, sectional details, etc. are indicated in the drawings.

The structural design report for the MCR building and its foundation essentially include input load calculations for dead, live, wind and seismic loads along with the load combinations considered for the design of structure and its foundation. Further, dead load calculation is considering weights of equipment, roof finish and self-weight of structural members. The live load on the floor is applied in accordance with the IS 875 (Part 2): 1987. The wind load calculation is in accordance with IS 875 (Part 3):2015. And, the seismic zone consideration is as per IS 1893-2016. The design report essentially prove that the structural members are safe for the project design life considering strength and serviceability criteria as per the relevant standards.

6.6.1 ASPL

For 25MW and 40MW

The provided drawing indicates that the Main Control Room is a single-storeyed closed steel portable cabin structure resting on the RCC pile caps which are again supported by the RCC pile foundations. The plan dimension of the room is 11.6m x 8.19m. However, the height of the structure is not indicated in the drawing.

Structural drawing indicating details of RCC pile, pile cap dimensions and reinforcement is not provided for review. Further, the structural design report for the Main Control building and its foundation is not provided.

In the absence of design calculation report, SgurrEnergy was provided with the third-party structural stability certificate which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building.

6.6.2 BREPL

The provided drawing indicates a single-storeyed closed steel pre-engineered building (PEB) structure resting on the RCC pile caps which are again supported by the RCC pile foundations. The plan dimension of the room is 12.8m x 6.912m and the eave height of the structure is 4.946m above the finished floor level.

The structural drawings for the PEB building are provided which consist of foundation drawing, general arrangement drawing indicating column, roof beam, purlin, floor beam and connections details. The drawings contain structural details like section sizes, general arrangement of structural members, base support arrangement and reinforcement schedule of foundations for piles and pile caps. Also, the other necessary information such as grade of materials, sectional details, etc. is also provided in the drawings. The structural drawing provided appears to be as per standard engineering practice.

The structural design report for the Main Control building and its foundation is not provided.

As per the drawings, the structural arrangement and section sizes appear to be adequate; In the absence of design calculation report, SgurrEnergy was provided with the third-party structural stability certificate which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building.



6.6.3 Goyalri and NSPL

Architectural and structural drawings for the Main Control building are not provided for review. Further, the structural design report for the building and its foundation is not provided.

In the absence of design calculation report, SgurrEnergy was provided with the third-party structural stability certificate which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building.

6.6.4 ISTS-1

The provided drawing indicate that the Main Control Room is a closed structure with RCC slab and brick walls. The building is a single-storeyed RCC framed structure consisting of RCC beams and columns. The plan dimension of the room is 20.685m x 10.8109m and the height of the structure is 5.1m above the ground level with floor or grade slab at 1.0m above the ground level. The foundations of the building are placed at (-)1.6m, below the ground level.

The drawings contain adequate details of the building and are in line with industry standards.

The provided design calculation report includes STAAD output results and the design of RCC members appears to be carried out as per IS 456:2000 code requirements. The report indicates the design of structure to be adequate to carry the design loads of the MCR building. Further, from high-level review of the provided details of isolated footings, it appears to be safe to carry the overburden load from the MCR super structure.

While reviewing the documents, SgurrEnergy noted that the grade of concrete considered in design is M30 (30MPa) while in drawing, the grade mentioned is M25 (25MPa). As per Indian Standard IS 456, there are safety factors considered for material and loadings. Also, the characteristic strength of onsite concrete is usually more than that mentioned in the drawings (25MPa). Therefore, the risk associated with the mention of lower grade of concrete in the drawings as compared to design value, may not be high.

Overall, SgurrEnergy raises no major concerns on the provided structural design report and drawings of MCR building.

However as per the site visit it was observed that plinth protection periphery drain around the MCR building was missing which leads the infiltration of water in the soil reaches the plinth wall and floor level by capillary action resulting in dampness, the cables in the battery room lies on the floor, trench of the Panel room was not provided with chequered plates at few locations and staircase foundation was not provided. SgurrEnergy suggests corresponding rectification/ incomplete work shall be completed to ensure longevity of the structure.

Developer's Response – The rectification work has been completed on site

6.6.5 ISTS-2

The provided drawing indicate that the Main Control Room is a closed structure with RCC slab and brick walls. The building is a single-storeyed RCC framed structure consisting of RCC beams and columns. The plan dimension of the room is 20.685m x 10.8109m and the height of the structure is 6.15m above the ground level, with plinth level at 1.0m above the finished ground level. The foundations of the building are placed at (-)1.6m, below the ground level. The general arrangement drawing contain adequate details of the building and is in line with industry standards.

However, structural drawing indicates only foundation drawing, column drawing and lintel beam details while roof beam and slab structural drawing is missing.



The provided design calculation report includes load calculation and load combinations, based on the report it is understood that design of RCC members appears to be carried out as per IS 456:2000 code requirements. However, the provided report does not comment on the stability of the structure. Foundation design calculation was not providing to SgurrEnergy.

The structural design report for the Main Control building is incomplete and provided structural drawing does not indicate roof beam and slab details. Complete design calculation can confirm the stability and adequacy of the structure.

Further, as per the site visit plinth protection and periphery drain around the MCR building has got damaged and severe cracks were found at various locations, electrical fittings and fixtures work are observed to be pending, trench of the Panel room was not provided with chequered plates at few locations, Staircase foundation was not provided and Painting on the staircase is pending. SgurrEnergy suggests corresponding rectification/ incomplete work shall be completed to ensure longevity of the structure. As the plant is now operational, SgurrEnergy assumes that all the rectification work has been completed in the construction phase.

Developer's Response – The rectification work has been completed on site.

6.6.6 REWA

Architectural and structural drawings for the Main Control building are not provided for review. Further, the structural design report for the building and its foundation is not provided.

In the absence of design calculation report, SgurrEnergy was provided with the third-party structural stability certificate which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building.

6.6.7 SECI_RJ

The provided drawing indicates that the Main Control Room is a single-storeyed closed steel portable cabin structure resting on the RCC pile caps which are again supported by the RCC pile foundations. The plan dimension of the room is 20.455m x 10.445m and the height of the structure is 6.15m above the ground level with floor or grade slab at 1.0m above the ground level. The foundations of the building are placed at (-)1.6m, below the ground level. The drawings contain adequate details of the building and appears to be in line with industry standards.

The structural design report for the Main Control building and its foundation is not provided.

As per the drawings, the structural arrangement and section sizes appear to be adequate; however, the design calculation can confirm the stability and adequacy of structure.

Further, as per the site visit it is observed that plinth protection and periphery drain around the MCR building was provided with the precast covers which would restrict the entry of surface runoff into the drain, due to this the water might percolate to the plinth which may lead to dampness in the plinth level. SgurrEnergy suggests there should be holes on the precast RCC covers for accessibility of water into the drain during rainy season which is to be connected with nearest main drain.

Developer's Response - Proper inlet to peripheral drain to MCR is already there and addresses the concern raised.

6.6.8 Conclusion

On reviewing the files provided for MCR Building, mainly foundation layout drawing, structural drawings, and detailed calculation report, SgurrEnergy can conclude that the drawings contain adequate details and are in line with standard industrial practice;



particularly for projects like ISTS-1 and SECI_RJ. Also, design calculation report is submitted for ISTS-1 which concludes that the design of structural elements of MCR building are adequate. There are discrepancies in grade of concrete seen between two documents viz. design calculation report and structural drawing for the same project; however, risk associated with the same may not be high.

In BREPL project, PEB building is provided for MCR building and all necessary details are provided in its drawings which appear to be of standard engineering practice. However, detailed design report of the same is not provided; hence, unable to confirm the stability and adequacy of the structure.

SgurrEnergy has not received any MCR structural drawings along with its structural design reports for review in projects - ASPL, Goyalri, NSPL and BREPL. In the absence of the documents, SgurrEnergy rely on the provided third-party structural stability certificate which ensures that the Engineering construction work is structurally sound and its stability will not be endangered by its use in the solar industry, Hence SgurrEnergy has no major concern in the design of MCR building. For the sites ISTS-1, ISTS-2, and SECI-RJ, SgurrEnergy has recommended to carry out necessary rectification and complete any pending work to ensure the long-term durability of the structures. The developer has responded by confirming that the rectification work has been successfully completed on-site.



7 Solar Resource Assessment

To accurately estimate the energy produced from a solar PV power plant for its lifecycle, information on the long-term solar resource and temperature conditions is required. This section presents the resource assessment conducted using on-site weather station data and the satellite resources for the PV projects under evaluation.

7.1 Solar Resource

The solar resource of a location may be defined by values of the global horizontal irradiation, direct normal irradiation, and diffuse horizontal irradiation. These parameters are described below.

Global Horizontal Irradiation (GHI) – The global horizontal irradiation is the total solar energy received on a unit area of horizontal surface. It includes energy received from the sun in a direct beam and energy that is received from radiation scattered off the atmosphere arriving from all directions of the sky (diffuse irradiation). The units of GHI are given in kWh/m². Values are often provided for a period of a day, a month, or a year.

Diffuse Horizontal Irradiation (DHI) - The diffuse horizontal irradiation is the energy received from radiation scattered off the atmosphere arriving from all directions of the sky on a unit area of horizontal surface. It is measured in kWh/m² and values are strongly dependent on weather conditions and the clearness of the air.

Direct Normal Irradiation (DNI) - The direct normal irradiation is the total solar energy received on a unit area of surface directly facing the sun. The units of DNI are kWh/m². The direct normal irradiation is of particular interest for solar installations that track the sun and to concentrating solar technologies as only radiation coming directly from the sun may be focused by a lens or mirror.

For modelling of solar PV plants, GHI and DHI are required for calculating the estimated energy yield. In the northern hemisphere, tilting the modules at an angle towards the south increases the total annual global irradiation that is received on the module plane compared to the horizontal plane. This is quantified by the global tilted irradiation. The optimal tilt angle varies primarily with latitude and depends on local weather patterns, ground conditions and plant layout configurations.

Tilted modules also benefit from irradiation reflected from the ground which is dependent on the ground reflectance, or albedo. Albedo and global tilted irradiation are described below. SgurrEnergy has independently optimized the tilt angle and the pitch distance through an iterative process of simulations.

Global Tilted Irradiation (GTI) – The global tilted irradiation is the total solar energy received on a unit area of a tilted surface. It includes direct and diffuse irradiation along with ground reflected irradiation. The units of GTI are kWh/m². A transposition model is used for translating horizontal irradiation to tilted irradiation within PV modelling software.

Albedo – The ground albedo or reflectance affects the irradiation on a plane when it is tilted from horizontal and increases the GTI. The albedo is highly dependent on site and weather conditions, with typical grass coverings having an albedo of approximately 0.2 and fresh snow giving an albedo of approximately 0.8, meaning that 20% and 80% respectively of the irradiation is reflected into the atmosphere.

7.2 Satellite Based Solar Resource

SgurrEnergy sourced irradiation data from five different sources for the project site. These sources are of varying quality and resolution. A minimum of 10 years of data is recommended to allow for the expected variability of resource data between years. A brief description of each source data is provided below:



SolarGIS: SolarGIS is developed and operated by Geocode a solar company maintaining databases of climate data to support solar energy projects and systems. Database is derived from Meteosat and Geostationary Operational Environmental Satellite system (GOES) satellite data and atmospheric parameters (aerosol and water vapour) using high performance algorithms. SolarGIS regional coverage includes Europe, Africa, Asia and parts of South America and Australia. Data availability for Indian region is from 1999 – 2022. The spatial resolution of primary parameters for Indian region is approximately 0.25km x 0.25km with a temporal resolution of between 15 minutes to 3 hours. SolarGIS radiation models use multispectral channels and multi-dimensional statistical treatment of ground albedo, daily values of aerosol and water vapour. SolarGIS models is validated by IEA (*International Energy Agency*) SHC Collaboration Agreement, and EU FP6 project Masoor in terms of bias and RMSE.

NASA's Surface Meteorology and Solar Energy data set; holds satellite derived monthly data for a grid of 0.5°x0.5° covering the globe for a 34-year period (1984-2019). The data are suitable for pre-feasibility studies of solar energy projects.

The **METEONORM (version 7.2) global climatological database and synthetic weather generator;** contains a database of ground station measurements of irradiation and temperature. Where a site is over 113km from the nearest measurement station it outputs climatologic averages estimated using interpolation algorithms. Where no radiation measurement station is within 300km from the site, satellite information is used. If the site is between 50 and 300km from a measurement station a mixture of ground and satellite information is used. The accuracy of irradiation figures close to measurement stations are within a few percent. Uncertainty increases with distance between the site and the measurement station, especially in hilly and mountainous terrain.

Solar and Wind Energy Resource Assessment (SWERA) / National Renewable Energy Laboratory (NREL) data was developed from NREL's Climatological Solar Radiation (CSR) Model using primary data from geostationary satellites. The satellites provide information on the reflection of the earth-atmosphere system and the surface and atmospheric temperature which is useful in determining cloud cover. Model outputs are verified with ground-based data to ensure quality of the measurements.

PVGIS: Photovoltaic Geographical Information System, an open data tool which is a part of the SOLAREC action funded on PV solar energy. PVGIS-SARAH covers Europe, Africa and Asia. The Surface Solar Radiation Data Set - Heliostat (SARAH) is a satellite-based climatology of the solar surface irradiance, the surface direct normalized irradiance and the effective cloud albedo derived from satellite observations of the visible channels of the MVIRI and SEVIRI instruments on-board the geostationary Meteosat satellites. The data are available from 2005 to 2020 and covers the region ±65° longitude and ±65° latitude. The irradiance is available as monthly, daily, and hourly averages along with Typical Meteorological Year (TMY) on a regular latitude/longitude grid with a spatial resolution of 0.05° x 0.05°. PVGIS also provides wind speed and air temperature data for the sites in Asia.

Table 7-1 represents a comparison between various solar irradiation datasets for the Project site.



Table 7-1: Comparison of Solar Irradiation Datasets for the site

Data source	Spatial Resolution	Temporal Resolution	Time Period
SolarGIS Time Series	250m × 250m	15-Min Time Series	1999 to 2021
NASA	55km × 55km	Daily Averages	1984 to 2019
Meteonorm 7.2	Ground Interpolation ¹	Monthly Averages	From 2010
NREL-SWERA	40km × 40km	Monthly Averages	1985 to 1991
PVGIS	5km × 5km	Hourly Time Series	2005 to 2016

Table 7-2: Annual Comparison of Satellite Based Resources

Site	SolarGIS (kWh/m ²)	Meteonorm (kWh/m ²)	PVGIS (kWh/m ²)	NASA (kWh/m ²)	NREL-SWERA (kWh/m ²)
01.ASPL	2,013.50	2,040.00	2,108.77	2,011.43	1,970.18
02.BREPL	2,004.50	1,988.76	2,162.54	1,989.06	2,066.18
03.Goyalri	1,980.20	1,914.10	2,114.31	1,856.70	2,056.00
04.ISTS-1	2,026.60	1,964.69	2,174.38	1,856.70	2,104.39
05. ISTS-2	2,008.30	1,933.75	2,080.14	1,856.70	2,105.84
06. NSPL	1,929.50	1,869.19	2,071.45	1,872.80	1,962.09
07. REWA	1,873.70	1,875.58	2,059.05	1,785.90	1,938.36
08. SECI_RJ	1,980.20	1,908.62	2,072.16	1,826.40	2,056.01

SolarGIS declares that the datasets have been compared with ground measurements for more than 200 sites. The resulted mean bias for GHI is close to 0%². SolarGIS data base has also been compared with other data sources globally. The IEA (International Energy Agency) validation study conducted by University of Geneva in 2011 has resulted in SolarGIS to be the best performing database among five satellite databases. Similar IEA validation study was repeated in 2013 by University of Geneva which again resulted in SolarGIS to be the best performing database among six satellite databases. Validation study in 2013 was conducted using 18 validation sites in Europe and Mediterranean regions. Furthermore, SolarGIS has conducted its own validation for the following Indian locations:

- Pantnagar (Uttarakhand)
- Kanpur (Uttar Pradesh)
- Mysore (Karnataka)
- Warangal (Telangana)
- Jaipur (Rajasthan)
- Ranchi (Jharkhand)

¹ Ground interpolation entails that the results are interpolated with weather stations within 10/20/30km radius. The site-specific spatial coverage varies for different sites.

² https://solargis2-web-assets.s3.eu-west-1.amazonaws.com/public/doc/Validation-Report_Global-Solar-Atlas-2.0_WB-ESMAP_Nov2019-1.pdf



Comparative analysis of all the data sets available, indicate SolarGIS has been validated for India. SolarGIS indicates an uncertainty of 3.98%, which is lower than uncertainty indicated by Meteonorm 7.3 datasets.

SgurrEnergy is therefore of the opinion that SolarGIS dataset may be considered reasonable and a representative data source for conducting an energy yield assessment in the locations shortlisted for the project.

7.3 Comparison of WMS and SolarGIS Irradiation Measurements

SgurrEnergy was provided with the Daily Generation Reports including recorded global horizontal irradiation (GHI) data. The daily data was used for comparison with satellite based SolarGIS database; however, SgurrEnergy was not provided with raw database at granular intervals, hence the data quality of the DGR-dataset cannot be validated for its adequacy for comparison. Table 7-3 presents the deviation analysis results for the PV locations under evaluation.

Table 7-3: Comparison between WMS and SolarGIS Database

Project Site	Period	Irradiation Difference
ASPL	July 2017 to March 2018	4.74%
	April 2018 to March 2019	-0.13%
	April 2019 to March 2020	-11.21%
	April 2020 to March 2021	3.01%
	April 2021 to March 2022	4.53%
BREPL	February 2016 to March 2016	7.69%
	April 2016 to March 2017	0.21%
	April 2017 to March 2018	-0.88%
	April 2018 to March 2019	-2.56%
	April 2019 to March 2020	-2.12%
	April 2020 to March 2021	0.93%
GOYALRI	April 2021 to March 2022	-1.97%
	April 2017 to March 2018	-1.12%
	April 2018 to March 2019	0.54%
	April 2019 to March 2020	-0.82%
	April 2020 to March 2021	-0.19%
	April 2021 to March 2022	3.54%
ISTS-1	September 2021 to May 2022	0.83%
ISTS-2	NA	NA
NSPL	December 2017 to March 2018	8.06%
	April 2018 to March 2019	0.91%
	April 2019 to March 2020	0.63%
	April 2020 to March 2021	1.16%
	April 2021 to March 2022	-0.26%
REWA	February 2020 to March 2020	-0.53%
	April 2020 to March 2021	6.54%



Project Site	Period	Irradiation Difference
	April 2021 to March 2022	0.30%
SECI-RJ	November 2021 to May 2022	2.17%

7.4 Wind Speed

For wind speed analysis, SgurrEnergy uses data sourced from SolarGIS Time Series dataset and the basic wind statistics are tabulated in Table 7-4.

Table 7-4: Site-Specific Wind Speed Comparison from SolarGIS

Site	Minimum Wind Speed (m/s)	Maximum Wind Speed (m/s)	Average Wind Speed (m/s)
01.ASPL	0.1	10.5	3.68
02.BREPL	0.1	8.4	3.27
03.Goyalri	0.2	10.5	3.50
04.ISTS-1	0.2	10.5	3.68
05. ISTS-2	0.2	11.2	3.81
06. NSPL	0.1	7.1	2.39
07. REWA	0.1	7.7	2.29
08. SECI_RJ	0.2	10.5	3.50

7.5 Temperature

SgurrEnergy has sourced temperature data from the SolarGIS Time Series database. A typical operating temperature range for PV modules is -40°C to +85°C. Inverter operating ranges are more bounded to temperature, typically -35°C to +60°C, with the electronic equipment in the inverter degrading quicker in high temperature environments. Thus, considering the temperature range at selected site, the modules and inverters should be able to operate normally. Table 7-5 presents the basic statistics for temperature observed for the PV Project Portfolio.



Table 7-5: Site-Specific Temperature Comparison from SolarGIS

Site	Minimum Temperature (°C)	Maximum Temperature (°C)	Average Temperature (°C)
01.ASPL	10.4	45.2	27.9
02.BREPL	13.7	39.0	26.0
03.Goyalri	2.9	46.2	26.7
04.ISTS-1	5.1	45.7	27.3
05. ISTS-2	3.8	46.2	27.5
06. NSPL	13.7	42.9	27.7
07. REWA	4.8	44.0	25.3
08. SECI_RJ	2.9	46.2	26.7

7.6 Humidity

For sourcing humidity, SgurrEnergy uses data sourced from SolarGIS Time Series dataset and the basic humidity statistics are tabulated in Table 7-4. These values were then fed as an input to the spectral correction algorithm based on which the spectral gain for thin-film modules was evaluated; furthermore, spectral gain/loss is not dominant in crystalline PV technologies.

Table 7-6: Site-Specific Humidity Comparison from SolarGIS

Site	Minimum Humidity (%)	Maximum Humidity (%)	Average Humidity (%)
01.ASPL	8.6	99.0	54.0
02.BREPL	8.2	97.8	62.9
03.Goyalri	4.6	99.2	49.4
04.ISTS-1	5.5	98.7	45.9
05. ISTS-2	5.2	98.9	45.2
06. NSPL	20.6	98.1	66.8
07. REWA	10.4	99.4	64.1
08. SECI_RJ	4.6	99.2	49.4

8 Operational Analysis and Generation Comparison

To assess the operational performance of the plant, SgurrEnergy has comparatively evaluated the monthly energy yield predicted using satellite-based weather data with the plant generation SCADA values. A factor of 0.6% degradation has been considered for values after a duration of 1 year from COD (Commercial Operational Date) and henceforth. The variation has been evaluated with respect to the difference between the two generation figures.

SgurrEnergy was provided with plant and grid availability records from COD of the respective sites until March 2023 for the solar PV plant.

SgurrEnergy has thus carried out the generation comparison for the PV project for the period from COD to Mar 2023, henceforth referred to as 'operational period'. SgurrEnergy



compared its operational energy yield predictions with the onsite generation figures recorded at the energy meter on a monthly level data provided by the Owner.

SgurrEnergy also observed that the monthly availability figures were provided for the operational period of the solar PV plant. These availability figures were captured within the monthly energy yield predictions assessed for the site in question and were accounted for representative comparison. The average availability based on the provided data has also been specified below.

Based on the availability records provided, SgurrEnergy has analysed the trend in the plant availability and grid availability for each month as presented in the following sections.

8.1.1 Grid Availability

The ability of a PV power plant to export power is dependent on the availability of the grid transmission network and the utility grid substation. Grid unavailability is solely due to the breakdown events associated with the grid substation and substation maintenance, which is beyond the Owners control.

Table 8-1: Site Specific Grid Availability from COD

Site	Grid Availability (%)
01.ASPL - Fixed, Tracker	99.77%
02. BREPL - Fixed, Tracker	96.45%
03. GOYALRI - Tracker	99.65%
04. ISTS-1 - Fixed	99.22%
05. ISTS-2 – Fixed	99.96%
06. NSPL - Fixed, Tracker	99.57%
07. REWA - Fixed, Tracker	99.46%
08. SECI_RJ – Fixed	99.8%

8.1.2 Plant Availability

Plant downtime is a period when the plant does not generate due to failure of equipment in plant until the injection point. The plant downtime period depends on the quality of the plant components, design, environmental conditions, diagnostic response time and the repair response time.

SgurrEnergy was provided with Plant Availability for each project site. Table below presents the average plant availability.

Table 8-2: Site Specific Plant Availability from COD

Site	Plant Availability (%)
01.ASPL - Fixed, Tracker	99.66%
02. BREPL - Fixed, Tracker	90.28%
03. GOYALRI - Tracker	99.61%
04. ISTS-1 - Fixed	99.09%
05. ISTS-2 – Fixed	100.0%
06. NSPL - Fixed, Tracker	99.22%
07. REWA - Fixed, Tracker	99.33%
08. SECI_RJ – Fixed	99.84%



8.1.2.1 Downtime Analysis

SgurrEnergy received breakdown logs for each site from COD. Shared data includes the breakdown minutes, reasons for each fault and affected DC capacity, allowing for a comprehensive understanding of the impact caused by each fault. SgurrEnergy utilized this information to analyse the major component wise faults summary. Faults which are onetime are excluded in the evaluation. The downtime minutes are then weighted by the affected DC capacity to find the downtime on daily basis. The calculation of downtime is done on an equipment-wise basis for each year. This approach involves assessing the duration of downtime for each specific equipment, allowing for a detailed analysis of the impact on system performance.

The following summary provides plant-wise details of the downtime for all the sites. It includes downtime incidents in % experienced at each plant within the solar project portfolio.

ASPL

Major reason for the downtime for 40MW plants are Inverter tripping due to ground fault, string cable theft, controller failure, DC switch fault, Termination kit failure at HV side of Inverter duty transformer. For 25MW plant the reasons are multiple incidents of inverter tripping, HT panel tripping due to E/F, over voltage and power transformer tripping.

25MW_Plant Equipment	DT(%)	40MW_Plant Equipment	DT(%)
Power transformer	3.09%	Inverter	0.97%
Inverter duty transformer	0.34%	Inverter duty transformer	0.07%
Inverter	0.15%	AC Distribution Board	0.01%
Combiner Box	0.02%	Incoming Outgoing Panel	0.37%
AC Distribution Board	0.04%	Combiner Box	1.77%
Incoming Outgoing Panel	0.24%	Transimission line	0.02%
Transimission line	0.02%	Power transformer	1.52%

BREPL

Major reason for the plant downtime is Inverter tripping due to ground fault, ups supplier failure to inverter, inverter cooling fan issue, DC cable puncture, and fault in combiner boxes.

Equipments	DT(%)
Inverter	15.28%
Transimission line	0.25%
String Cable	0.52%
Inverter duty transformer	0.13%
Combiner box	5.14%



ISTS-1

Major reason observed for the downtime is ground fault at inverter station, SCB string cable theft (CB), cable insulation failure, Inverter duty transformer and Power transformer tripped. No other significant fault is observed.

Equipments	DT(%)
Inverter	0.40%
Inverter duty transformer	0.02%
Power transformer	0.08%
Combiner box	0.01%

Goyalri

Major fault observed are 132KV Power transformer failure because of cable fault and Inverter duty transformer tripped because of cable fault, switch yard tripping due to ground fault, isolator faults and HV busing failure.

Equipment	DT(%)
Switch yard HT-Panel	0.37%
Inverter	0.11%
Inverter duty transformer	1.09%
Transimission line isolator	0.51%
Power transformer	0.36%
HV Bushing Failure	0.22%

SECI_RJ

Major reason observed are DC side- Ground fault, module shifting due to string restoration, inverter fuse failure, inverter ground fault and PT tripping due to over voltage.

Equipment	DT(%)
HT Panel	0.04%
Inverter	0.08%
Power transformer	0.09%

NSPL

Major reason for downtime observed are Transimission line faults, Power transformer failure, and earth fault. However, Inverter down due to IGBT SAT tripping, ground fault and SMPS failure are considerable.

Equipment	DT(%)
Inverter	0.47%
AC Distribution Board	0.01%
Inverter duty transformer	0.07%
Transimission line	3.08%
Power transformer	0.95%
Incoming Outgoing Panel	0.12%
Combiner box	0.22%



REWA

Major reason observed are inverter trip due to inverter fan failure, inverter ACCB malfunctioning, inverter ground fault, SMPS power failure, HT cable fault.

Equipment	DT(%)
Inverter	1.78%
Cable	0.28%
Inverter duty transformer	0.01%
Transmission line	0.01%

ISTS-2

Major reason observed are inverter ground fault, IGBT card issue, over voltage, Inverter duty transformer tripped because of cable fault, PT tripped and inverter in standby mode because of grid overvoltage.

Equipment	DT(%)
Transmission line	0.30%
Power transformer	0.84%
Inverter	1.31%
Inverter duty transformer	0.10%

8.2 Generation Comparison

SgurrEnergy has compared its operational energy yield predictions with the onsite generation figures recorded at the energy meter on a monthly level data provided by the Client. To make the operational energy yield predictions more representative, SgurrEnergy has applied the monthly losses due to auxiliary consumption loss, plant and grid unavailability provided by the Client. These predictions are in turn compared with the actual performance of that plant, which are the generation figures shared by the Client.

The variation of the performance of the PV portfolio for the period of evaluation has been shown in Table 8-3.

Table 8-3 Energy Generation Comparison for portfolio

Fiscal Year	DGR Net Energy (MWh)	Predicted EYA P50 (MWh)	Deviation
FY 2016	3,477.08	4,087.66	14.94%
FY 2017	19,957.50	20,469.55	2.50%
FY 2018	2,75,785.02	3,09,811.52	10.98%
FY 2019	3,75,365.60	4,04,126.10	7.12%
FY 2020	4,62,942.49	5,02,224.39	7.82%
FY 2021	8,69,132.13	9,37,038.24	7.25%
FY 2022	13,69,451.85	14,95,394.79	8.42%
FY 2023	24,01,831.32	25,05,032.05	4.12%

8.3 Operational Analysis

Gap analysis illustrates the comparison of the historical generation and predicted P50 energy yields and *bridges the gap* between the predicted and actual generation. Since the Predictions are done on the basis of a fixed value of operational variables (TMY Irradiation,



Aux Loss, Downtime Loss, etc.) however, in the real-life operation, these variables are changing. Hence to make the comparison, it is required to adjust the predicted generation as per the site-observed parameter.

Daily Generation Reports (DGR) from operations and maintenance records were provided to understand the energy generated at revenue meters. Predicted annual generation was sourced from SgurrEnergy Independent Energy Yield Evaluation as presented in Long Term Energy Yields (LTEY).

Potential reasons that can be attributed to the deviation of actual energy with respect to long-term energy yield predictions are listed below:

- Irradiation Difference
- Aux Loss Difference
- Downtime difference
- Non-repeatable Curtailment loss

Even after adjusting the Predicted generation for the above-mentioned variable, there will be still a difference between actual and predicted energy which one could not attribute to anything. This difference is aggregated in one group and termed as a miscellaneous energy difference.

8.3.1 Energy Lost due to Irradiation Deficiency

A major reason for the lower generation is the difference in actual and long-term irradiation; noting that the effective output energy of any PV plant entirely depends on the irradiation influx. The difference in irradiation is presented for the operational period. Irradiation difference is calculated as follows:

$$\text{Irradiation Diff (\%)} : \frac{(TMY\ GHI - SGIS\ TS\ GHI)}{SGIS\ TS\ GHI} \cdot 100$$

Where,

TMY GHI = SGIS TMY P50 GHI

SGIS TS GHI = SGIS TimeSeries GHI

Client has provided SGIS TMY P50 on hourly basis and SGIS TS GHI from 1999 to purchased data year on monthly basis

8.3.2 Energy Lost due to Downtime and Auxiliary Consumption

The downtime and auxiliary loss assumptions considered in LTEY are based on an average taken for the historical period; which may differ based on an individual operational year. Additional loss or gain due to the difference in actual downtime/auxiliary consumption observed during the historical period and assumed downtime in LTEY is used to understand the gap.

8.3.3 Energy Lost due to Miscellaneous Factors

Miscellaneous reasons which have also contributed to the difference in actual and expected generation are the following:

- **Soiling:** Soiling rate on PV modules is caused by environmental parameters, the effects of which are complex to quantify and therefore increase uncertainty in the deviation analyses between LTEY and actual generation.
- **Energy Yield Model:** Energy yield simulations comprise mathematical representations of PV plant equipment including PV modules and inverters. These models cannot be completely independent of inaccuracies as opposed to the field and test data. Additionally, the energy yield model includes multiple environmental assumptions corresponding to various loss factors that may not exactly represent



on-site physical conditions. A conservative uncertainty figure of 2.50%³ was assumed by the SgurrEnergy to compute long-term confidence intervals for the EYA.

- **Curtailement Losses:** There may be forced curtailments from the grid that may cause the asset managers to reduce the PV generation; although these details are not present for some plants with the Developer or plants may have not undergone curtailments. SgurrEnergy suggests ascertaining the curtailment losses during the operational period.

To quantify these losses under a common group, SgurrEnergy has assessed the difference with respect to assumptions taken in long-term energy yields and actual values noted from Daily Generation Reports. The difference was then used to estimate the potential energy lost due to such non-quantifiable (miscellaneous) factors.

Plant performance (under performance, adequate performance and over performance) are assigned based on Miscellaneous factor above +3%, between +/- 3% and less than -3% respectively. Results of the deviation analysis are attached in Appendix A: and summaries in Table 8-4.

Based on the comparison conducted by SgurrEnergy, it has been observed that the 8 PV plants under evaluation are generating a lower yield than expected. Typically, a deviation of 3%³ is considered as the threshold to determine the performance of a plant.

To understand the reasons behind this underperformance, it is recommended to conduct the following analysis.

Array Health Analysis

String Monitoring Boxes monitor DC input current, voltage, and power. Individual arrays should be modeled to ascertain the under/over performance by feeding in recorded weather data. The recorded energy values in the SCADA should be compared with the simulated/predicted energy. Based on the analysis conducted on the data to be provided, the Degradation, Soiling, and Shading aspects should be assessed.

Inverter health analysis should include inverter input parameters such as

- a. Input current and voltage values
- b. Output current and voltage values
- c. Input DC power
- d. Inverter temperature
- e. Output AC power

AC Side Health Analysis

- a. Performance of transformers should be analyzed by assessing the input and output parameters recorded in the SCADA database. Parameters that should be analyzed are historical transformer efficiency and no-load power consumption.
- b. Simulate the AC losses (AC cables) and compare with actual data sourced
- c. Compare actual and predicted transmission line losses

Based on the above inputs, the inverter efficiencies, fault patterns, and major reasons for inverter faults on site should be evaluated and in turn, suggest adequate mitigation methods should be suggested.

³<https://www.pvsyst.com/help/validations.htm>,

Section 2.3 of *Estimating The Uncertainty In Long-Term Photovoltaic Yield Predictions* (Available [here](#))



If the reasons for the underperformance of the PV plants are not identified through data analysis, it may be necessary to conduct onsite testing. The following tests can be performed to gain further insights into the issues:

I-V Curve Analysis: This test helps identify any deviations from the expected characteristics, such as mismatched or underperforming modules, faulty connections, or module degradation. By analyzing the I-V curves, potential issues can be pinpointed and addressed.

Thermography: Use thermal imaging cameras to perform thermographic inspections of the PV modules and other system components. This test helps detect any hotspots, thermal anomalies, or overheating issues, which can indicate module defects, poor connections, or inefficient cooling.

Electroluminescence Tests: Perform electroluminescence (EL) tests on the PV modules. EL imaging can reveal hidden defects, cracks, or cell-level issues that may not be visible during normal inspections. This test can help identify the root causes of module underperformance and guide necessary repairs or replacements.

Power Analyzer: Utilize a power analyzer to assess the electrical characteristics of the PV system, including voltage, current, power factor, and harmonics. This test can identify any abnormalities or inefficiencies in the system's power output and provide insights into potential causes of underperformance.

By conducting these onsite tests, additional data and diagnostic information to uncover the reasons behind the underperformance of the PV plants can be gathered. These tests can help identify specific issues related to module performance, electrical connections, thermal management, or overall system inefficiencies.



Table 8-4: Potential Causes of Deviation between LTEY and Actual Generation

Site	Period	DGR Net Energy (MWh)	Irradiance Difference@P50 (MWh)	Deviation due to Downtime @P50 (MWh)	Deviation due to Auxiliary Loss@P50 (MWh)	Deviation due to Miscellaneous factors@P50 (MWh)	Predicted EYA P75 (MWh)	Predicted EYA P90 (MWh)
ASPL	FY 2018 (Last 3Qtr)	95,366.66	-60.42	4,018.87	-45.35	7,321.62	1,02,490.76	98,791.07
	FY 2019	1,39,838.65	2,616.14	-1,113.57	-27.23	5,208.98	1,40,872.93	1,35,787.73
	FY 2020	1,38,555.77	1,656.49	-1,076.68	22.04	6,339.67	1,40,336.03	1,35,270.21
	FY 2021	1,40,042.10	-4,859.11	-881.32	-20.65	10,197.80	1,39,353.68	1,34,323.32
	FY 2022	1,31,020.01	1,019.81	-932.54	6.45	12,353.74	1,38,378.20	1,33,383.06
	FY 2023	1,33,164.50	1,012.67	-926.01	6.40	9,205.63	1,37,409.56	1,32,449.38
BREPL	(Feb & Mar '16)	3,477.08	-13.03	-103.01	-8.58	735.21	3,924.83	3,778.28
	FY 2017	19,957.50	-60.18	-178.09	-34.80	785.11	19,654.15	18,920.27
	FY 2018	19,445.20	191.89	-126.02	205.30	609.90	19,516.57	18,787.83
	FY 2019	19,923.70	-31.79	-181.66	-44.40	518.13	19,379.95	18,656.31
	FY 2020	17,738.70	181.47	960.04	-16.03	1,178.51	19,244.30	18,525.72
	FY 2021	19,094.50	687.90	-364.21	-35.82	520.02	19,109.59	18,396.04
	FY 2022	18,830.94	1,200.64	-347.83	-33.60	112.91	18,975.82	18,267.27



Site	Period	DGR Net Energy (MWh)	Irradiance Difference@P50 (MWh)	Deviation due to Downtime @P50 (MWh)	Deviation due to Auxiliary Loss@P50 (MWh)	Deviation due to Miscellaneous factors@P50 (MWh)	Predicted EYA P75 (MWh)	Predicted EYA P90 (MWh)
	FY 2023	15,248.01	139.50	-127.56	0.88	4,363.90	18,842.99	18,139.39
Goyalri	FY 2018	1,35,167.81	-2,537.25	-105.98	-121.12	19,000.63	1,45,440.50	1,40,073.08
	FY 2019	1,39,807.25	3,171.97	90.30	-75.25	7,501.40	1,44,567.85	1,39,232.64
	FY 2020	1,41,100.27	3,593.77	134.63	-59.84	4,823.85	1,43,700.45	1,38,397.25
	FY 2021	1,37,334.19	-1,600.13	996.26	-89.22	12,054.03	1,42,838.24	1,37,566.86
	FY 2022	1,20,203.28	-1,354.38	-399.07	88.68	29,264.45	1,41,981.21	1,36,741.46
	FY 2023	1,33,151.28	1,044.32	-954.95	6.60	13,668.89	1,41,129.33	1,35,921.01
ISTS-1	FY 2022 (Sep '21- Mar '22)	3,46,617.10	7,979.92	-1,200.08	-184.63	16,044.31	3,55,129.35	3,42,414.38
	FY 2023	6,21,445.68	4,562.27	-4,171.86	28.85	19,959.24	6,17,268.85	5,95,168.29
ISTS-2	FY 2023 (Last 3Qtr)	4,26,439.50	3,186.17	-2,913.52	20.15	21,501.28	4,30,804.21	4,15,117.24
NSPL	Dec'17 - Mar'18	25,805.35	-274.95	-15.74	22.04	5,943.09	30,190.27	29,029.66
	FY 2019	75,796.00	3,280.02	-130.39	78.23	7,899.64	83,362.82	80,158.09
	FY 2020	74,355.61	3,744.18	-120.96	86.40	8,336.73	82,862.64	79,677.14



Site	Period	DGR Net Energy (MWh)	Irradiance Difference@P50 (MWh)	Deviation due to Downtime @P50 (MWh)	Deviation due to Auxiliary Loss@P50 (MWh)	Deviation due to Miscellaneous factors@P50 (MWh)	Predicted EYA P75 (MWh)	Predicted EYA P90 (MWh)
	FY 2021	69,192.40	1,661.44	1,451.43	128.83	13,449.45	82,365.46	79,199.08
	FY 2022	71,741.00	3,201.68	-102.44	136.59	10,391.42	81,871.27	78,723.88
	FY 2023	65,707.50	603.18	-551.56	3.81	19,093.11	81,380.04	78,251.54
REWA	(Feb & Mar '20)	91,192.14	8,478.16	100.69	-60.41	979.18	96,669.44	93,051.03
	FY 2021	5,03,468.94	-21,265.85	-5,057.94	-107.62	61,040.82	5,16,594.11	4,97,257.62
	FY 2022	4,96,199.52	25,051.61	-4,920.85	-427.90	18,972.56	5,13,518.60	4,94,297.23
	FY 2023	5,14,517.09	3,779.41	-3,455.99	23.90	16,826.19	5,10,461.40	4,91,354.47
SECI_RJ	FY 2022 (Sep '21- Mar '22)	1,84,840.00	-1,502.19	-	-38.97	11,562.64	1,87,312.11	1,80,517.44
	FY 2023	4,92,157.76	3,478.96	-3,181.25	22.00	-3,053.89	4,70,462.21	4,53,396.39



9 Annual Energy Yields

SgurrEnergy has computed the annual energy yields for the PV Plant Portfolio using as-built design and plant layout. For energy yields SgurrEnergy has:

1. Sourced hourly horizontal irradiation and temperature data from the SolarGIS database. The TMY was created from the satellite-based time series for the period between 1999 and 2021. The data has been assessed for its use as an input in to compute long term energy yields.
2. Constructed an as-built plant layout within PVsyst of the project site to simulate the on-site shading profile.
3. Calculated the global incident radiation on the tilted plane.
4. Simulated the as-built losses by sourcing details of the inverter specifications, PV module specifications, site layout and plant design parameters.
5. Applying downtime losses, AC Ohmic losses, module degradation, transformation, and transmission line losses to obtain energy yields that reflect twenty-five-year plant generation.

Statistical analysis of resource data for inter-annual variability has been used to derive appropriate levels of uncertainty in the energy yield prediction. Steps 2, 3, 4 and 5 are facilitated using industry standard photovoltaic simulation software which simulates the energy yield using hourly time steps. The software takes as input detailed specifications of:

- The solar PV modules.
- The inverter.
- Mounting system.
- Electrical configuration including number of modules in series and parallel.

9.1 Corrections and Losses

Data obtained for irradiation on collector plane, PV module and inverter specifications and plant configuration are input into the PV modelling software to calculate the DC energy generated from the modules in hourly time steps throughout the year. This direct current is converted to AC in the inverter.

Several losses occur during the process of converting irradiated solar energy into AC electricity fed into the grid. The losses may be described as yield loss factors. They are calculated within the PV modelling software and calculated from the cable dimensions and project design. Others are nominal figures applied from knowledge of performance of similar PV plants. The losses are broadly described in the subsections below.



Table 9-1: Description of Energy Yield Losses

Loss	Description
Shading	Three types of shading losses are considered in the PV energy yield model: horizon shading, shading between rows of modules and near shading due to trees, obstacles, and near-by buildings.
Incident Angle	The incidence angle loss accounts for losses in radiation penetrating the front glass of the PV modules due to angles of incidence other than perpendicular.
Low Irradiance	The conversion efficiency of a PV module reduces at low light intensities.
Module Temperature	The characteristics of a PV module are determined at standard temperature conditions of 25°C. For every °C temperature rise above this, module efficiency reduces according to their temperature coefficient.
Soiling	Losses due to dust and bird droppings; soiling the module.
Module Quality	Most PV modules do not match exactly the manufacturer's nominal specifications. Modules are sold with a nominal peak power and a given tolerance within which the actual power is guaranteed to lie.
Module Mismatch	Losses due to "mismatch" are related to the fact that the real modules in an array do not all rigorously present the same current/voltage profiles: there is a statistical variation between them.
DC Wiring Resistance	Electrical resistance in wires between the power available at the modules and at the terminals of the array gives rise to ohmic losses (I^2R).
Inverter Performance	Inverters convert from DC into AC with a certain specified maximum efficiency. Depending on the inverter load, they will not always operate at maximum efficiency.
MPP Tracking	The inverters are constantly seeking the maximum power point (MPP) of the array by shifting inverter voltage to the maximum power point voltage. Different inverters do this with varying efficiency.
AC Losses	This includes ohmic losses from inverter to transformer injection.
Degradation	The performance of a PV module decreases with time.

9.1.1 P50 Energy Yield Predictions

Table 9-2 presents the first-year P50 prediction results evaluated for all projects

Table 9-2: First Year Prediction Results

Site	P50 Energy Yield (MWh/annum)	Specific Yield (kWh/kWp)	CUF _{AC} (%)	CUF _{DC} (%)	PR (%)
01. ASPL - Fixed, Tracker	1,47,269.17	1,737.01	25.86%	19.83%	78.52%
02. BREPL - Fixed, Tracker	20,498.16	1,639.98	23.40%	18.72%	77.33%
03. GOYALRI - Tracker	1,51,404.09	1,936.11	28.81%	22.10%	80.18%
04. ISTS-1 - Fixed	6,43,892.02	1,778.78	29.40%	20.31%	79.68%
05. ISTS-2 - Fixed	6,16,794.52	1,840.88	28.16%	21.01%	85.32%
06. NSPL - Fixed, Tracker	87,112.38	1,749.31	23.62%	19.97%	80.35%



Site	P50 Energy Yield (MWh/annum)	Specific Yield (kWh/kWp)	CUF _{AC} (%)	CUF _{DC} (%)	PR (%)
07. REWA - Fixed, Tracker	5,38,677.80	1,601.63	24.60%	18.28%	79.82%
08. SECI_RJ - Fixed	4,90,300.45	1,750.94	27.99%	19.99%	80.16%

9.2 Yield Uncertainty

The uncertainty in energy yield predictions is difficult to quantify as it is a function of many independent factors. The sections below present a simplified version of the estimated uncertainties which are quantified in the long-term yield predictions.

9.2.1 Solar Resource Measurement Uncertainty

Energy yield prediction is based on SolarGIS database, a satellite data which is derived from MSG-IODC satellite and atmospheric parameters using high performance algorithms set by SolarGIS method.

The resource data for 22 years (1999-2021) has been obtained from the SolarGIS climatological database. An uncertainty of 3.9% is recommended by SolarGIS at for the Indian sub-continent.

The uncertainty in transposing the global horizontal irradiation to global tilted irradiation is dependent on the accuracy of the initial data and the characteristics of the specific location. Based on the SgurrEnergy's experience, the uncertainty associated with the transposition model is 1.5%.

9.2.2 Inter-Annual Variation of Solar Resource

Mean global daily irradiation on a horizontal plane varies on an annual basis. This means that the plant owner does not know what energy yield to expect in any given year but can have a good idea of the expected yield in the long term.

The likely variation can be quantified based on analysis of variation in long-term irradiation data for the Project site. SgurrEnergy has sourced 22 years' data from SolarGIS database for the proposed site locations which is used to estimate the standard deviation of variation in irradiation. SgurrEnergy has analysed site specific datasets and computed the coefficient of variation (standard deviation divided by the mean) as presented in Table 9-3.

Table 9-3: Site Specific Inter-Annual Variation in Resource

Site	Inter-Annual Variation (%)
01.ASPL - Fixed, Tracker	1.68
02. BREPL - Fixed, Tracker	2.24
03. GOYALRI - Tracker	1.97
04. ISTS-1 - Fixed	1.82
05. ISTS-2 – Fixed	1.84
06. NSPL - Fixed, Tracker	2.65
07. REWA - Fixed, Tracker	2.47
08. SECI_RJ – Fixed	1.97

9.2.3 Modelling Uncertainty

The modelling uncertainty is a combination of the various uncertainties for each loss factor assessed in the modelling process. Efforts to validate the photovoltaic simulation software used



data from seven grid connected systems in Europe. These indicated that the accuracy of the results of the simulation is in the order of 2 to 3%. A conservative uncertainty figure of 3% was assumed by the SgurrEnergy.

9.2.4 P75, P90 and P95 Predictions

SgurrEnergy has computed the first-year predictions corresponding to P75, P90 and P95 confidence levels and is tabulated in Table 9-4; while 25 years' confidence intervals are tabulated and visualised in Table 9-4.

Table 9-4: Site Specific First Year P50, P75, P90 and P95 Predictions

Site	P50 (MWh)	P75 (MWh)	P90 (MWh)	P95 (MWh)
01.ASPL - Fixed, Tracker	1,47,269.17	1,41,590.37	1,36,479.27	1,33,420.49
02. BREPL - Fixed, Tracker	20,498.16	19,681.62	18,946.72	18,506.90
03. GOYALRI - Tracker	1,51,404.09	1,45,440.50	1,40,073.08	1,36,860.90
04. ISTS-1 - Fixed	6,43,892.02	6,19,257.58	5,97,085.81	5,83,816.90
05. ISTS-2 – Fixed	6,16,794.52	5,92,810.74	5,71,224.59	5,58,306.15
06. NSPL - Fixed, Tracker	87,112.38	83,543.96	80,332.27	78,410.20
07. REWA - Fixed, Tracker	5,38,677.80	5,17,169.63	4,97,811.59	4,86,226.59
08. SECI_RJ – Fixed	4,90,300.45	4,71,305.12	4,54,208.72	4,43,977.22



10 Operation and Maintenance Contracts review

SgurrEnergy has been provided with the operation and maintenance agreement of seven solar PV plants under evaluation. SgurrEnergy understands that the solar PV plant ISTS 2 has been commissioned and therefore the execution of the contract is in place.

Mahindra Teqo Private Limited is the O&M contractor for all the projects under evaluation.

Table 10-1 presents overview of the O&M contract under review.

Table 10-1 O&M Contract Details

Project Name	Start Date	O&M Contractor	End date
Astra Solren Private Limited (ASPL)	01 April 2019	Mahindra Teqo Private Limited	31 March 2029
Brightsolar Renewable Energy Private Limited (BREPL)	01 April 2019	Mahindra Teqo Private Limited	31 March 2024
Mahindra Susten Private Limited at Goyalri, Rajasthan (Goyalri)	01 April 2019	Mahindra Teqo Private Limited	31 March 2029
Mahindra Renewables Private Limited at Baap, Rajasthan (ISTS-1)	01 August 2021	Mahindra Teqo Private Limited	31 July 2029
Neo Solren Private Limited (NSPL)	01 April 2019	Mahindra Teqo Private Limited	31 March 2029
Mahindra Renewables Energy Private Limited (REWA)	01 October 2019	Mahindra Teqo Private Limited	30 September 2029
Mahindra Susten Private Limited (SECI_RJ)	01 August 2021	Mahindra Teqo Private Limited	30 September 2031
MSUPL-ISTS-2	Details Unavailable	Details Unavailable	Details Unavailable

The O&M term for all of the contracts is ten years from the effective date except for Brightsolar Renewable Energy Private Limited (BREPL) which is for five years.

The O&M agreements are typical and include define the Contractor's scope of work within the plant premises, annual operating cost, scheduled maintenance; the latter are provided as annexures. Availability, generation and performance guarantee and the related liquidated damages are indicated within the O&M agreement.

SgurrEnergy has noted that all the O&M contracts are typical. This section presents SgurrEnergy's findings on O&M contract and identifies risks and mitigation measures.

10.1 Contract term and Termination

The contract term shall start from the effective date of the O&M agreement Table 10-2 summarises the contract term and the effective date of all seven⁴ O&M contracts.

Table 10-2 O&M Contract Term

Project Name	Effective Date	Contract Term
Astra Solren Private Limited (ASPL)	01 April 2019	10 years
Brightsolar Renewable Energy Private Limited (BREPL)	01 April 2019	5 years

⁴ Review of ISTS O&M contract not included.



Project Name	Effective Date	Contract Term
Mahindra Susten Private Limited at Goyalri, Rajasthan (Goyalri)	01 April 2019	10 years
Mahindra Renewables Private Limited at Baap, Rajasthan (ISTS-1)	01 August 2021	10 years
Neo Solren Private Limited (NSPL)	01 April 2019	10 years
Mahindra Renewables Energy Private Limited (REWA)	01 October 2019	10 years
Mahindra Susten Private Limited (SECI_RJ)	01 August 2021	10 years
MSUPL ISTS-2	Details Unavailable	Details Unavailable

The O&M contracts under evaluation has an identical termination clause and as per industry practice. This clause is important in a scenario where the Owner wants to sell or transfer the project to a third party.

The Owner or the Contractor can terminate the contract based on the following provisions:

- The Owner has the right to terminate the Contract upon the occurrence of any of the following events:
 - Contractor’s wilful default in the performance of the services and obligations for a period of 30 days or more.
 - Liquidation, insolvency or bankruptcy of the Contractor.
 - Fraudulent, representation and warranties.
 - Force Majeure continued for a period of 60 days.
- The Contractor has right to terminate the Contract upon the occurrence of any of the following events by giving a notice of 90 days to the Owner:
 - Default by Owner over non-payment of fees towards the Contractor for more than sixty days’ post receipt of invoice by the Contractor.
 - Liquidation, insolvency or bankruptcy of the Owner.
 - Force Majeure event affecting for over two months.

These are considered standard and reasonable contract termination clauses.

10.2 Contract Price

The details of the annual fee payable by the Owner is summarised in Table 10-3.

Table 10-3 Details of O&M Contract Price

Project Name	Effective Date	O&M Contract Price with Escalation Rate (INR/ MWp)
Astra Solren Private Limited (ASPL)	01 April 2019	INR 3,00,000 per MWp with escalation rate of 5%
Brightsolar Renewable Energy Private Limited (BREPL)	01 April 2019	INR 3,63,956 per MWp with escalation rate of 5.5%



Project Name	Effective Date	O&M Contract Price with Escalation Rate (INR/ MWp)
Mahindra Susten Private Limited at Goyalri, Rajasthan (Goyalri)	01 April 2019	INR 3,50,000 per MWp with escalation rate of 5%
Mahindra Renewables Private Limited at Baap, Rajasthan (ISTS-1)	01 August 2021	INR 1,40,000 per MWp with escalation rate of 5%
Neo Solren Private Limited (NSPL)	01 April 2019	INR 2,61,345 per MWp with escalation rate of 5%
Mahindra Renewables Energy Private Limited (REWA)	01 October 2019	INR 2,03,313 per MWp with escalation rate of 5%
Mahindra Susten Private Limited (SECI_RJ)	01 August 2021	INR 1,45,000 per MWp with escalation rate of 5%
MSUPL-ISTS-2	Details Unavailable	Details Unavailable

The portfolio under evaluation comprises of projects implemented in 2019 and those implemented in 2021.

The O&M Contract of projects effective from 2019 have contract price ranging from INR 2 lakhs/ MWp to INR 3.5 lakhs/ MWp. These include projects in Solar Park. The two projects with effective date in 2021 (ISTS 1 and SECI-RJ) are priced at INR1.4 lakhs/MWp.

It should be noted that the SECI_RJ and ISTS-1 have separate automatic module cleaning system (robotic system) contract with SolBright. The contract is priced at INR 16,500 / MWp and 12,900 / MWp for SECI-RJ and ISTS-1 respectively.

Review of the O&M contract price indicates them to be in line with price trend during the effective year.

10.3 Payment Schedule

Based on the review of the O&M contract, the payment terms are identical. According to the Contracts, the payment shall be made before 10th of the next month for the services availed for the previous month. Payment shall be made on monthly basis within ten days from the receipt of invoice from the Contractor.

The delay clause for payment has not been defined within the Contract.

SgurrEnergy considers the payment terms to be reasonable and does not raise any concern.

10.4 Scope of Work

The services to be performed by the Contractor under the scope of work of O&M contract include operations, preventive maintenance, cleaning, corrective maintenance, reporting, management of warranties, spare part management and breakdown maintenance activities. While preventive maintenance is planned in advance and aims to prevent faults from occurring, as well as to keep the plant operating at its optimum level, breakdown maintenance is reactive and is carried out in response to failures.

The O&M agreements under review have identical scope of work defined within Schedule 1 of the O&M agreement and are considered sufficiently detailed.

Overall, the scope of work included in the O&M contract is deemed adequate and complete and It is as per the industry standard and norms. The tasks covered by the O&M operator are listed in the sections below:



10.4.1 Preventive Maintenance

The Contractor has to review the condition, operability, performance and safety of the Facility and Equipment. Particular attention is given to the electrical facility and equipment, wiring connections, control system and inverters. Without exception, the Operator is required to maintain the Plant and its components in line with manufacturer guidelines, Owner's requirements and Plant Availability guarantee.

SEI considers this to have been adequately detailed within the O&M agreement. The operator's scope of services and maintenance schedules are described in Section 3 of the Contract.

A detailed Preventive Maintenance schedule and checklist is provided under Schedule 1 of the Contract. The given checklist is segregated on the basis of frequency of the preventative maintenance. Following are the checklists provided under Schedule 1:

- Monthly Maintenance Checklist
- Quarterly Maintenance Checklist
- Bi-yearly Maintenance Checklist

SgurrEnergy considers this to be a good practice and beneficial for the project.

Preventive maintenance activities mentioned in the O&M agreement includes:

- Regular visual inspection to detect existing and potential defects. Visual inspection of PV Modules, Structures, Inverters, Cables and other Electrical Facility and Equipment is covered under the scope.
- Cleaning, maintenance, inspection and supervision of the Plant.
- PV module cleaning
- Complete provision of various activities for monthly, quarterly, and bi-yearly maintenance and inspection has been clearly defined in the contract.

Unless the Contractor is prevented by a Force Majeure Event, the Operator shall perform all required corrective maintenance to ensure that maximum generation is achieved.

The nature and frequency of proposed preventive maintenance activities are considered adequate and beneficial for the Project. SgurrEnergy recommends performing thermography test annually for the 100% of the modules.

10.4.1.1 Module Cleaning

All the projects expect SECI-RJ have manual module cleaning system. SECI-RJ has robotic cleaning system sourced from SolBright.

Section 3.5 of the contract of five sites stipulates that the modules to be cleaned minimum 12 cycles in a year and additional cleaning cycles to be added as required for achieving performance ratio guarantees.

Robotic Cleaning is implemented for two projects namely SECI_RJ and ISTS-1, both are located in Rajasthan. A total of 553 robots have been deployed at SECI_RJ site and 559 robots at the ISTS-1 site. As per Schedule VIII, the scope of the O&M Contractor for the robot maintenance include:

- Ensuring daily two cleaning cycles of modules with the help of robots
- Daily monitoring and reporting of robot availability
- Ensuring timely and quality preventive maintenance along with the Robot OEM.
- Ensuring no damage takes place to the robots while the cleaning activity.



Robotic module cleaning (dry cleaning) is implemented for SECI –RJ project. However, it was noted during site visit that cleaning was not effective as dust particles were seen after one cleaning cycle.

10.4.2 Corrective Maintenance

Corrective maintenance is carried out in response to failures. The key parameter when considering Corrective maintenance is diagnosis, speed of response and repair time.

According to the clause 3.4, the Contractor is liable for the repair of equipment's due to breakdown, failure or defect. The Contractor shall dispatch an intervention team to the Site and identify the failure within 24 hours of the incident.

The Contractor has to keep the Owner informed and updated on the incident and also the actions taken in order to rectify the incident. A detailed report needs to be submitted by the Contractor within 15 working days to the Owner describing the date and time of the failure, repair, root cause analysis.

Overall, SgurrEnergy is satisfied that the scope of work is complete and covers all the aspects we would expect to see in an O&M contract for a ground-mounted PV plant. SgurrEnergy opines that the maintenance regime is in line with current industry practice.

10.4.3 Spare Parts Management

The provisions relating to the use and management of spare parts during plant operation are clearly defined in the contract. The Contractor procures and maintains the critical Spare Parts and consumables in accordance with the O&M plan. The Contractor shall utilize spare parts and consumables manufactured by original equipment manufacturers.

The Contractor shall be responsible to procure the spare parts in time to replenish any of the spares considering the lead time required for procurement. The spare parts inventory must be returned to the Developer in as is basis on expiry of the Contract Term.

The O&M fees payable by the Owner to the Contractor shall cover the costs of all the spare parts and consumables required for the site and their transport to site.

In absence of long term service agreement with inverter manufacturer, SgurrEnergy suggests a robust data management for spare procurement for inverters as well as for other plant components.

The spare list has been provided for REWA, BREPL, ISTS-1 and NSPL. However, in case of REWA and BREPL the quantity of spares was not provided, therefore SgurrEnergy cannot comment on the adequacy of the spares maintained at Site.

Overall, SgurrEnergy is satisfied with the spare parts clause. However, it could not be validated through records. Sgurrenergy considers this to be a low risk item and expects Mahindra Teqo to actively manage the stock of spare parts.

10.4.3.1 ISTS-1

Based on the quantity of spares provided for ISTS-1, SgurrEnergy understands that no capital equipment such as inverters, inverter duty transformers and HT panels have been enlisted. The included spares/ consumable items such as DC fuses, fuse holders, MC4 connectors, cable jointing kits, SCADA components, inverter components, PCBs, MCBs, push buttons, selector switches and other miscellaneous items have been provided in the spare list. Switchyard equipment such as SF6 circuit breaker, transformer bushings, OTI, WTI instruments enlisted in the spare list seem to be insufficient. Waree make 390Wp and 395Wp modules are indicated in the list, however make and rating of the PV modules does not match with the modules installed at site. Referring to the DC SLD and the array layouts, it is observed that Canadian Solar and Jinko make modules of 350Wp, 355Wp, 360Wp, 365Wp, 370Wp, 405Wp and 410Wp are installed for the project. SgurrEnergy suggests to maintain PV module spares of Canadian Solar and Jinko on site for any future replacements as using modules of different make and rating can



lead to module mis-match losses in respective strings due to different IV curve characteristics. This can also adversely affect healthy modules and lead to further module failures.

Table 10-4 illustrates the details of capital equipment available at site with actual and desirable quantities. The actual quantity indicates the spares available at site during commissioning. The desirable quantity indicates the minimum quantity to be maintained for O&M phase of the project.

Table 10-4: Quantity of available Spares for ISTS-1

S. No.	Spare Item	Quantity available at site	Desirable Quantity	Remarks
1	3125 kW Sungrow Central Inverter	0	1	0.5% of project BOQ as per standard industry practice.
2	12.5 MVA Inverter Duty Transformer	0	0	-
3	PV Modules	557	4798	0.5% of project BOQ as per standard industry practice.
4	HT Panel	0	1	One HT panel should be provided.
5	SCB	0	7	0.5% of project BOQ as per standard industry practice.
6	6mm ² Solar DC cables	2km	8.85km	1% of project BOQ as per standard industry practice. Cable lengths taken from DC Cable schedule.
7	MC4 Connectors (+ve and –ve)	800	324	Quantity of MC4 connectors is sufficient.
8	Transformer Oil	0	21.5 kilo Litres (Approx.)	3x100MVA Power Transformers and 20x12.5MVA IDTs. 10% of full tank capacity as per standard industry practice.

Details of consumed and replished quantities over operational period of the plant are not mentioned in the spare list. SgurrEnergy finds the spares maintained at site for ISTS-1 to be inadequate considering the overall life of the Project.

10.4.3.2 NSPL

Based on the quantity of spares provided for NSPL, capital equipment such as inverter, inverter duty transformer, HT panel and PV modules are enlisted for the project. In case of IDT, the spare is available at regional level from which SgurrEnergy infers that the same is not available at site. Quantity of major capital equipment is found to be adequate. However, quantity of sub-components related to capital equipment are not as per standard industry practice. Consumable items such as MC4 connectors, AC/DC cables, switchyard equipment spares, SCADA equipment, Tracker material and transmission line etc. have been maintained at site, however the quantity seems to be inadequate. 0.1% PV module spares of the required make and rating have been maintained at site, however as per standard industry practice the spares to be maintained at site is 0.5%. SgurrEnergy finds the spares maintained at NSPL site to be inadequate.



10.5 Obligations of Parties

10.5.1 Obligations of the Owner

The contractor contains standard obligations on the Owner, which are:

- Obtaining all approvals, licenses, and permits that are necessary for completing the obligations under this contract.
- Site access shall be provided to the contractor as required to perform the O&M activity.
- The plant shall be equipped with weather monitoring system for monitoring the solar irradiance, ambient temperature and other weather parameters.
- The Owner shall provide all the as-built drawings, specification and other information of the project which will be essential for the O&M contractor to perform the O&M activities.

10.5.2 Obligations of the Contractor

- The Contractor shall operate and maintain the Facility as per terms and conditions mentioned in this Contract and in the O&M manual.
- The Contractor shall remove all the debris and hazardous waste materials from the site and dispose the waste material according to the applicable laws of the government
- The Contractor shall inform the Owner in advance in case of any back down of generation.
- The Contractor shall be responsible to prevent any unlawful activity by or among its personnel.
- Prior permission shall be obtained from the Owner in case third party access is required to the site.
- The Contractor shall provide one-week O&M training to any five employees of the Owner.

10.6 Contractor Response Time

The Contract specify corrective maintenance to rectify, resolve or correct any defect, failure or incident that is not mentioned in preventive maintenance. This process shall be done by dispatching an intervention team within 24 hours after the contractor has become aware of the incident or defect. Also a report of the defect along with corrective maintenance shall be submitted within 15 days. This is considered good for the project as inclusion of this clause makes the Contractor liable to attend the fault immediately. SgurrEnergy could not validate the resp

10.7 Warranties

10.7.1 Guaranteed Plant availability

The Guaranteed Plant Availability is the uptime of the Plant with the inclusion of specific period (Unscheduled maintenance) during which the facility was completely or partially down for any reason and the exclusion of specific periods (Grid failure and Force Majeure) during which the facility is completely or partially down. The DGR data shows the unavailability to be within the guaranteed numbers, however the plants where trackers are installed, there is an uncertainty in the availability due to trackers.



A summary of the plant availability for the seven sites is presented in Table 10-5.

Table 10-5: Guaranteed Plant availability and Actual Plant Availability

Project Name	Unavailability due to trackers (%)	Guaranteed Plant Availability (%)	Actual Plant Availability (%)
Astra Solren Private Limited (ASPL)	0.1	-	FY 17-18:99.98 FY 18-19: 99.91 FY 19-20: 99.85 FY 20-21: 99.60 FY 21-22: 99.75 FY 22-23: 99.54
Brightsolar Renewable Energy Private Limited (BREPL)	0.1	-	FY 16-17: 97.95 FY 17-18:99.46 FY 18-19: 99.98 FY 19-20: 99.81 FY 20-21: 99.83 FY 21-22: 99.90 FY 22-23: 78.25
Mahindra Susten Private Limited at Goyalri, Rajasthan (Goyalri)	2.4	99.0	FY 17-18:99.78 FY 18-19: 99.65 FY 19-20: 99.66 FY 20-21: 99.40 FY 21-22: 99.90 FY 22-23: 99.53
Mahindra Renewables Private Limited at Baap, Rajasthan (ISTS-1)	-	99.5	FY 21-22: 99.73 FY 22-23: 98.71
Neo Solren Private Limited (NSPL)	3.3	-	FY 17-18: 99.93 FY 18-19: 99.98 FY 19-20: 99.94 FY 20-21: 98.11 FY 21-22: 99.89 FY 22-23: 99.61
Mahindra Renewables Energy Private Limited (REWA)	0.0	99.0	FY 19-20: 99.19 FY 20-21: 99.40 FY 21-22: 99.40 FY 22-23: 99.85
Mahindra Susten Private Limited (SECI_RJ)	-	99.5	FY 21-22: 99.69 FY 22-23: 99.91
ISTS-2	-	-	FY 22-23: 99.96

The plant availability clause and associated liquidated damages have not been laid down in the contract. The guaranteed value of plant availability is found to be either 99.0% or 99.5%. The values have not been provided in the contracts for ASPL, BREPL and NSPL.

As per market standards, the contractor should maintain 99% availability level for the project. The actual plant availability values for all the projects have been obtained from the historic data that had been made available until March 2023. SgurrEnergy has found that for site (BREPL) the plant downtime is high.



The plant downtime of plants BREPL, NSPL and ISTS-1 are found to be high for a period of 1-2 years, however the details are unavailable hence SgurrEnergy cannot comment on the same.

10.7.2 Guaranteed Generation and Performance Ratio (PR)

The O&M agreement include both the Guaranteed generation and PR clause and associated penalties for non-fulfilment of guaranteed PR. The guaranteed values are clearly specified under Schedule 4 of the contract.

Further all of the Contract defines the method to calculate PR based on which the guaranteed PR shall be calculated, SEI finds this the PR procedure to be meeting the requirements.

$$PR_{REAL} = \frac{(Cn - Ln)}{P_{P,GAR,n} \times \frac{I_{i,REAL} - I_{lost}}{I^*}}$$

Where

PR_{REAL} : Actual Performance Ratio during the period of time considered.

Cn : Variation in meter reading.

Ln : Loss from the billing meter to the point of delivery of the Discom / STU.

$P_{P,GAR,n}$: Peak power guaranteed contractually for the year n (if the annual calculation of the PR is performed on a yearly basis $P_{P,GAR,n}$ shall be the average power guaranteed at the end of year n-1 and that guaranteed at the end of year n; otherwise the values of $P_{P,GAR,n}$ 1 resulting from the application of correction coefficient of point 4 shall be considered.

$I_{i,REAL}$: Actual irradiation incident upon the plane of the tracker measured by the weather station over a period of time considered, transformed into kWh/m² through integration of 10 minute periods, considering all those with a radiation greater than equal to 30w/m².

I_{lost} : A part of solar irradiation lost due to Grid outages.

I^* : Global incident irradiance under STC (1kW/m²)

Summary of the Guaranteed PR and Actual measured PR is presented in Table 10-6. SgurrEnergy has calculated the measured PR from DGR data.

Table 10-6: Guaranteed PR and Generation

Site	Period	Guaranteed PR (%)	Actual PR (%)	Pass / Fail
ASPL	FY 2018 (Last 3Qtr)	-	73.7%	-
	FY 2019	75.49%	76.3%	Pass
	FY 2020	74.96%	75.6%	Pass
	FY 2021	74.43%	75.1%	Pass
	FY 2022	73.89%	75.1%	Pass
	FY 2023	-	74.2%	-
BREPL	(Feb & Mar '16)	-	69.17%	-
	FY 2017	74.93%	76.10%	Pass
	FY 2018	74.43%	74.83%	Pass
	FY 2019	73.93%	74.06%	Pass
	FY 2020	73.43%	67.22%	Fail
	FY 2021	73.01%	75.45%	Pass



Site	Period	Guaranteed PR (%)	Actual PR (%)	Pass / Fail
	FY 2022	-	76.48%	-
	FY 2023	-	59.91%	-
Goyalri	FY 2018	-	76.79%	-
	FY 2019	-	76.52%	-
	FY 2020	-	76.44%	-
	FY 2021	-	74.34%	-
	FY 2022	77.41%	76.32%	Fail
	FY 2023	77.14%	77.62%	Pass
ISTS-1	FY 2022	-	54.61%	-
	(Sep '21- Mar '22)	-		-
	FY 2023	-	78.12%	-
NSPL	Dec'17 - Mar'18		76.43%	-
	FY 2019		79.71%	-
	FY 2020		77.98%	-
	FY 2021		68.62%	-
	FY 2022		71.04%	-
	FY 2023	-	64.58%	-
REWA	(Feb & Mar '20)	-	78.98%	-
	FY 2021	78.24%	78.29%	Pass
	FY 2022	77.69%	78.02%	Pass
	FY 2023	77.14%	78.33%	Pass
SECI_RJ	FY 2022	78.93%	83.75%	Pass
	(Sep '21- Mar '22)			
	FY 2023	78.68%	81.94%	Pass
ISTS-2	FY 2023 (Last 3Qtr)	-	85.28%	-

10.8 Liquidated Damages (LD)

Following to the review of Clause 3.8 of the contract, SgurrEnergy understands there is one LD/ penalty associated to the project, SgurrEnergy considers this to be beneficial for the Owner.

- LD due to shortfall in guaranteed performance ratio.

The Contractor shall be liable to pay the LD/ penalty in case of any shortfall in the guaranteed PR. The calculation method for the actual performance ratio is mentioned in Schedule III which shall be compared with the guaranteed performance ratio as indicated in Schedule IV. According to the contract, the contractor shall be liable to pay a penalty of 0.5% of the applicable O&M fee for the year per each percentage point of difference between the actual performance ratio and guaranteed performance ratio. SgurrEnergy considers this to be in line with the current industry standards.

The limit of liability is capped to a maximum of 50% of the Contract price for the first 12 months and thereafter from the 13th month till the expiry of the contract, it is capped at 25% of the Contract



Price. SgurrEnergy considers this to be in line with the current industry standard which is in the range of 50% to 100% of the O&M price.

SgurrEnergy understand that till date no penalty has been levied to the O&M contractor.

10.9 Force Majeure

The Force Majeure (FM) event definition is standard for the industry. The force majeure events enlisted under clause 15.2 in the contract is as per standard O&M contracts.

SgurrEnergy identified that in case of continuous persistence of FM then there shall be a specific period of notice days from date of notice which shall qualify either Party to terminate the contract. This industry standard is about 90 to 180 days which is not mentioned in the contract.

10.10 Conclusions on O&M Contract review

Parameters	Description
Scope of Work	SgurrEnergy considers the scope of work defined in the Contract to be in line with the industry standards.
Contract Price	The contract price varies from INR 1.4 to 3.6 lakhs per MWp capacity. The plants where robotic cleaning has been opted for, the O&M costs are less in comparison to the other plants where manual cleaning is being followed.
Module Cleaning Frequency	Manual – 5 sites - The contract specifies 12 module cleaning cycles every year. Robotic – 3 sites
Spare Parts	For all PV plants under review, the spare part management is not specified in the contract. SgurrEnergy expects Mahindra Teqo to actively manage the stock of spare parts.
Contractor Response Time	The contract indicates the response time is 24 hours. SgurrEnergy consider this to be in line with the current industry standard. Also a report of the defect along with corrective maintenance shall be submitted within 15 days. This is considered good for the project as inclusion of this clause makes the Contractor liable to attend the fault immediately.
Plant Availability	The guaranteed plant availability has been specified in the contract for Goyalri, Baap, Rewa, Seci_RJ which varies from 99.0-99.5%. The guaranteed plant availability has not been specified for ASPL, BREPL and NSPL. Plant availability of 99 is as per market standard. SgurrEnergy raises no concern as the actual plant availability meets the guaranteed plant availability for Goyalri, ASPL, Rewa, Seci_RJ sites.
Liquidated Damages	The contract specifies there is one type of LD/ penalty, which is associated with the non-achievement of guaranteed performance ratio. SgurrEnergy considers this to be in line with the industry standards.



11 Power Purchase Agreement Review

SgurrEnergy was provided with signed copies of Power Purchase Agreements (PPA) executed between various Developers and Offtakers. Table 11-1 shows the details of both the parties along with the respective site names, PPA signing dates, and amendment dates.

Table 11-1: PPA details

Site Name	Developer	Capacity	Off-Takers	PPA Signing Date	PPA Amendment Date
ASPL	Astra Solren Private Limited	40MW	Solar Energy Corporation of India Limited	04 August 2016	-
		20MW		29 August 2016	-
BREPL	Brightsolar Renewable Energy Private Limited	10MW	Southern Power Distribution Company of Telangana Limited	04 December 2014	27 March 2015
Goyalri	Mahindra Sustain Private Limited	60MW	NTPC Limited	2 September 2016	-
ISTS-1	Mahindra Renewables Private Limited	250MW	Solar Energy Corporation of India Limited	25 October 2015	-
ISTS-2	Mega SuryaUrja Private Limited	250MW	Solar Energy Corporation of India Limited	31 May 2020	10 December 2021
NSPL	Neo Solren Private Limited	42MW	Northern Power Distribution Company of Telangana Limited	24 February 2016	25 January 2019
REWA	Mahindra Renewables Private Limited	250MW	Delhi Metro Rail Corporation	17 April 2017	-
			M.P. Power Management Company Limited		
			Rewa Ultra Mega Solar Limited		
SECI_RJ	Mahindra Sustain Private Limited	200MW	Solar Energy Corporation of India Limited	15 January 2020	-

11.1.1 PPA Term

Table 11-2 shows the PPA terms for various projects as per developers along with the Commercial Operation dates,



Table 11-2: PPA Term and COD Details

Site Name	Developer	Capacity	Off-Takers	Term (Years)	COD
ASPL	Astra Solren Private Limited	40MW	Solar Energy Corporation of India Limited	25	31 March 2017
		20MW		25	21 May 2017
BREPL	Brightsolar Renewable Energy Private Limited	10MW	Southern Power Distribution Company of Telangana Limited	25	05 January 2016
Goyalri	Mahindra Sustain Private Limited	60MW	NTPC Limited	25	31 March 2017
ISTS-1	Mahindra Renewables Private Limited	250MW	Solar Energy Corporation of India Limited	25	17 August 2021
ISTS-2	Mega SuryaUrja Private Limited	250MW	Solar Energy Corporation of India Limited	25	17 June 2022
NSPL	Neo Solren Private Limited	42MW	Northern Power Distribution Company of Telangana Limited	25	06 November 2017
REWA	Mahindra Renewables Private Limited	250MW	Delhi Metro Rail Corporation	25	05 April 2019
			M.P. Power Management Company Limited		
			Rewa Ultra Mega Solar Limited		
SECI_RJ	Mahindra Sustain Private Limited	200MW	Solar Energy Corporation of India Limited	25	14 October 2021

The mentioned PPA terms are in line with the standard industry practice and SgurrEnergy does not raise any concern regarding the same.

11.1.2 Tariff

The tariff agreed for project is inclusive of all taxes, duties, charges applicable, etc. for the entire tenure of the Project. Table 11-3 includes the solar tariffs with minimum and maximum generation values (in MU) agreed upon by the Developers.

Table 11-3: Tariff and Minimum Annual Supply Obligation details

Site Name	Developer	Off-Takers	Tariff (INR)	Minimum Generation (MU)	Maximum Generation (MU)
ASPL	Astra Solren Private Limited	Solar Energy Corporation of India Limited	4.43	121.00	156.59



Site Name	Developer	Off-Takers	Tariff (INR)	Minimum Generation (MU)	Maximum Generation (MU)
BREPL	Brightsolar Renewable Energy Private Limited	Southern Power Distribution Company of Telangana Limited	5.99	12.26	21.90
Goyalri	Mahindra Sustain Private Limited	NTPC Limited	4.35	126.12	152.40
ISTS-1	Mahindra Renewables Private Limited	Solar Energy Corporation of India Limited	2.53	465.38	602.25
ISTS-2	Mega SuryaUrja Private Limited	Solar Energy Corporation of India Limited	2.54	265.65	602.66
NSPL	Neo Solren Private Limited	Northern Power Distribution Company of Telangana Limited	5.59	-	91.98
REWA	Mahindra Renewables Private Limited	Delhi Metro Rail Corporation	2.98	257.00	526.00
		M.P. Power Management Company Limited			
		Rewa Ultra Mega Solar Limited			
SECI_RJ	Mahindra Sustain Private Limited	Solar Energy Corporation of India Limited	2.50	372.56	482.13

For energy generated beyond the maximum value, DISCOMs have agreed to purchase the excess generation at 75% of the mentioned tariff. For shortfall in the generation below the minimum generation value, the developer is liable to pay the compensation to the DISCOM. The compensation shall be computed at the rate of the applicable tariff.

Based on the historic generation data provided for each of the project sites, SgurrEnergy has independently evaluated if the minimum generation obligation has been met for each financial year. The information is tabulated below.

Table 11-4: Minimum Generation Obligation

Site	Annual (Financial Year) Generation							Achievement of Minimum Generation
	FY-17 (MU)	FY-18 (MU)	FY-19 (MU)	FY-20 (MU)	FY-21 (MU)	FY-22 (MU)	FY-23 (MU)	
BREPL DGR Generation	19.95	19.44	19.92	17.73	19.09	18.83	15.25	Yes
BREPL Guaranteed Generation	19.64	19.34	19.88	19.37	18.47	-	-	
NSPL DGR Generation		-	75.79	74.35	69.19	71.74	65.70	Not Applicable
NSPL Guaranteed Generation						-	-	



Site	Annual (Financial Year) Generation							Achievement of Minimum Generation
	FY-17 (MU)	FY-18 (MU)	FY-19 (MU)	FY-20 (MU)	FY-21 (MU)	FY-22 (MU)	FY-23 (MU)	
Goyalri DGR Generation	-	135.17	139.81	141.10	137.33	120.20	133.15	Not achieved in FY 22.
Goyalri Guaranteed Generation						121.91	132.33	
ASPL DGR Generation	-	95.36	139.83	138.55	140.04	131.02	133.16	Yes
ASPL Guaranteed Generation			138.31	137.37	138.79	128.87		
REWA DGR Generation	-	-	-	310.70	505.91	498.60	514.52	Yes
REWA Guaranteed Generation								
SECI RJ DGR Generation	-	-	-	-	-	184.84	492.15	-
SECI RJ Guaranteed Generation								
ISTS1 DGR Generation								NA
ISTS1 Guaranteed Generation	-	-	-	-	-	346.62	621.45	
ISTS 2 DGR Generation	-	-	-	-	-	-	426.44	N/A

SgurrEnergy has observed that the generation guarantee has been met for BREPL,ASPL,REWA and it was not met for site Goyalri in Financial Year- 22. However, SgurrEnergy understands that penalty has not been levied.

11.1.3 Transmission and Metering

As per PPA, the power generated from the solar PV projects shall be injected at other grid substations at various evacuation voltages mentioned in Table 11-5, which will be the commercial metering point or delivery point. The costs pertaining to the installation, calibration, testing, maintenance renewal, and repair of the main meter shall be borne by the Developer. Along with the main meter, the Developer shall also install a backup meter and weather monitoring system to measure solar irradiance, ambient air temperature, wind speed, and other weather parameters.

Table 11-5: Evacuation Voltage details

Site Name	Developer	Capacity	Off-Takers	Evacuation Voltage
ASPL	Astra Solren Private Limited	40MW	Solar Energy Corporation of India Limited	66kV
		20MW		66kV
BREPL	Brightsolar Renewable Energy Private Limited	10MW	Southern Power Distribution Company of Telangana Limited	33kV
Goyalri	Mahindra Sustain Private Limited	60MW	NTPC Limited	33kV



Site Name	Developer	Capacity	Off-Takers	Evacuation Voltage
ISTS-1	Mahindra Renewables Private Limited	250MW	Solar Energy Corporation of India Limited	220kV
ISTS-2	Mega SuryaUrja Private Limited	250MW	Solar Energy Corporation of India Limited	220kV
NSPL	Neo Solren Private Limited	42MW	Northern Power Distribution Company of Telangana Limited	132kV
REWA	Mahindra Renewables Private Limited	250MW	Delhi Metro Rail Corporation	220kV
			M.P. Power Management Company Limited	
			Rewa Ultra Mega Solar Limited	
SECI_RJ	Mahindra Sustain Private Limited	200MW	Solar Energy Corporation of India Limited	220kV

SgurrEnergy reviewed the Metering scope of work and found it to be satisfactory. SgurrEnergy does not raise any concerns related to the scope of work associated with the Transmission and Metering.

11.1.4 Billing and Payment

As per PPA's, the Developer shall prepare and issue a monthly invoice for the previous month on or before the 5th day of the preceding month to the Off-taker. In case of late payment, which is beyond 30 days from the due date, the Developer shall charge a penalty of 1.25% on the outstanding amount on day-to-day basis which will be payable by the off-taker. In case of early payments of the monthly invoices, off-taker will be liable for the various rebate as per clauses mentioned in the respective PPA's.

The Off-takers shall make the payment towards the raised invoice by opening a revolving LC in favour of the Developer. For any dispute raised by the Off-takers on the issued invoice, the Developer shall take immediate actions towards resolving the issue. If the dispute is obliged by the Developer, a revised invoice will be raised by the Developer. Otherwise, if the Developer rejects the dispute claimed by the Off-takers, the dispute has to be settled by mutual agreement and as per the clauses mentioned in the PPA.

11.1.5 Delay Liquidated Damages

If the Developers are unable to commission the plants by the mentioned SCOD, the off-takers' are liable to impose the delay liquidation damages towards the Developers as per the following clauses mentioned in the PPA: -

- For delays beyond the SCOD, the Off-takers shall encash the PBG equivalent to the balance capacity not commissioned on a day-to-day basis.
- The maximum extension allowed to the Developer will be 24 months beyond the SCOD.



- At the end of the extension period, the contracted capacity will be amended to the actual commissioned capacity.

11.1.6 Conclusions on PPA

Following are the key highlights of the PPA:

- The terms mentioned in the PPA's are as per the standard terms for solar projects in India.
- Tariff agreed for project inclusive of all taxes, duties, and charges applicable, etc. as duly mentioned in PPA.
- SgurrEnergy understands that penalty has not been levied for the site where generation guarantee has not been met.
- Billing and payment clause is well defined and mentioned in the PPA, SgurrEnergy considers billing and payment clause to be fair for both the parties. SgurrEnergy is satisfied with the terms and conditions and does not raise any concern.
- Force majeure, Event of Default, and Termination are well mentioned in the PPA. SgurrEnergy is satisfied with the terms and conditions and does not raise any concern.



12 Permits and Approvals

SgurrEnergy has reviewed the available offshore permitting and consents for the Project from a technical perspective. This included a review of the current status of the permits, with precedence given to the conditions and potential restrictions upon construction and normal operation of the Project.

Obtaining the relevant permits and licences is essential to facilitate the timely completion of a project. Clearances also help ensure that the development proceeds in harmony with the natural environment, existing land usage and other regulatory interests. SgurrEnergy reviewed the key relevant permits and licences required for the successful implementation of the solar PV project.

The key permits, licences and agreements typically required for utility scale solar PV projects include are summarised below along with their current status in the Table 12-1.



Table 12-1: Summary of Permits and Approvals

Key Permits / Licenses	Detail	Status							
		ASPL	BREPL	Goyalri	ISTS-1	ISTS-2	NSPL	REWA	SECI_RJ
Power Purchase Agreement (PPA)	PPA is the most important agreement which actually kicks off the project for implementation and secures the revenue against the sale of the generated energy from the plant.	All the PPA details are presented in the PPA review section.							
Non-Agricultural Use	Usually, land selected for PV plant is barren and of no agricultural use, however a certificate for non-agricultural use is required to be obtained from the local town administration prior to commencing the construction on site.	Certificate is not applicable as its a solar park	Approval received on 16 November 2015	Approval received on 04 January 2017	Data Not Provided	Data Not Provided	Approval Received on 11-01-2018	Certificate is not applicable as its a solar park	NA land is deemed in Rajasthan as confirmed by MSPL's legal team
Grid Connection Feasibility	Grid connection feasibility study should be done and consent for connection and power evacuation to be obtained from utility substation at the early stages of site selection and project planning	23 May 2017 for 25MW and 31 March 2017 for 40MW	Connectivity was carried out by MSPL in accordance with the 'Evacuation Approval'	17-Oct-16	28-Sep-18	29-Oct-19	Connectivity was carried out by MSPL in accordance with the 'Evacuation Approval'	Connectivity was carried out by MSPL in accordance with the 'Evacuation Approval'	Connectivity was carried out by MSPL in accordance with the 'Evacuation Approval'
CEI Approval	This approval is obtained for verification of safety aspects of electrical installations prior to the commissioning of the plant.	25MW - 15 February 2017	09-Dec-15	22-Mar-17	09-Jul-21	NA	18-Jul-17	13-Oct-20	22-Sep-21



Key Permits / Licenses	Detail	Status							
		ASPL	BREPL	Goyalri	ISTS-1	ISTS-2	NSPL	REWA	SECI_RJ
MNRE and State Nodal Agency approvals	Project needs to be registered under state nodal agency or MNRE and certificates for exemption of excise and customs duty to be availed for imported items.	02-Mar-17	26-Nov-15	26-Sep-2016 [RREC]	24-Sep-19	25-Feb-22	21-Jul-16	NA	16-Oct-2019 [RREC]
Environmental Impact Assessment (EIA)	This assessment is not enforced upon solar projects in India. However, EIA may be done by the developer to ascertain if the solar PV plant poses any adverse effect on the environment.	Although the document is not provided for review, SgurrEnergy does not raise any concern as EIA is not enforced for solar projects in India.						Apr-15	Not Carried out
Labour Licences	Although not directly related to the project developer, not having these with the contractor may risk the project completion schedule. Employee insurance should essentially be obtained by all the contractors and sub-contractors working on site, this essentially should be monitored by the developer's project management team.	15-Oct-16	17-Nov-15	Document Available	09-Sep-19	08-Feb-22	30-Jul-20	26-Oct-18	19-Feb-22
Transmission Line	Transmission line approval and ROW permissions	24-Mar-17	07-Oct-15	24-Dec-07	24-Oct-18	26-Nov-19	18-Jul-17	In the scope of RUMSL (Rewa Ultra Mega Solar Ltd)	22-Sep-21



Key Permits / Licenses	Detail	Status							
		ASPL	BREPL	Goyalri	ISTS-1	ISTS-2	NSPL	REWA	SECI_RJ
Commissioning Certificate	This is an important permit indicating synchronization of solar power plants with the grid. Grid connection feasibility study should be done and consent for connection and power evacuation to be obtained from utility substation at the early stages of site selection and project planning.	21 May 2017 for 25MW	05-Jan-16	31-Mar-17	17-Aug-21	17-Jun-22	06-Nov-17	05-Apr-19	14-Oct-21



13 Site wise Observations and Status Update

The section highlights the major observations made by the SgurrEnergy during the review and Site Visit. It includes the identification of aspect, along with description of finding and SgurrEnergy proposed measures for mitigation. SgurrEnergy has received the responses regarding the observations and found them to be adequate. It should be noted that the mitigations have not been validated.

Table 13-1 ASPL Site Observations

Aspect	Description of Findings	SgurrEnergy Proposed Mitigation	Response from Mahindra	Comments from SgurrEnergy
DC SLD	SgurrEnergy suggest to incorporating UPS, relays, annunciators and weather monitoring station & TVM signals in SCADA architecture to ensure the monitoring and data comparison.	It is suggested to consider all the field signals to ensure the monitoring and data comparison.	Data from the mentioned devices already available in SCADA.	Noted & acceptable
Module mounting structure (MMS) - drawing	Pile cap is not provided, it is essentially required for MMS post to protect the column section against corrosion.	SgurrEnergy recommends that pile cap of minimum 150mm above ground shall be provided.	Provision of muff was decided based on risk of water stagnation, provision of proper drainage system and soil corrosivity.	Noted & acceptable



Table 13-2 ISTS-1 Site Observations

Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
AC SLD	1. Ten 33kV incoming feeders are indicated in SLD of which only one spare 33kV feeder is considered. Three more spare feeders are indicated as 'PROPOSED SVG FEEDER'. 2. Two Aux trafo of 300kVA are considered for the project. 3. 220kV single circuit transmission line connects PSS with 765kV GSS at Nure ki Bhurj. Length of the transmission line is 15.535km.	1. It is suggested to make available atleast two 33kV spare feeders for system redundancy. 2.Sgurrenergy suggests to use only one Aux. transformer to minimize auxiliary consumption. 3. It is suggested to consider Double circuit transmission line for project as capacity of the plant is 250MW.	1. Single spare feeder is sufficient for redundancy. 2.We considered 2 Auxiliary Transformers as redundancy where both are loaded 50% 3.As per CEA Guidelines,Single Transmission line is sufficient to carry upto 300MW Capacity.	Noted & acceptable
AC Design Aspects (Block size, IDT size, Block Grouping, ICOG/ RMU looping etc.)	DC to AC capacity (Pnom) of the plant is 1.448. Generation of the plant is expected to be significantly high. Redundant spare feeders to be considered for greater plant availability.	Sgurr Energy suggests to procure atleast 2 spare IDT and HT panel to avoid generation loss as duty/ load on the IDTs will be significantly high.	As contracted capacity is fixed,no need for additional feeder.	Noted & acceptable
Module mounting structure (MMS) - drawing	Pile cap is not provided, it is essentially required for MMS post to protect the column section against corrosion.	SgurrEnergy recommends that pile cap of minimum 150mm above ground shall be provided.	Provision of muff was decided based on risk of water stagnation, provision of proper drainage system & soil corrosivity.	Noted & acceptable
PV Modules (Overall plant)	The fasteners of PV modules are observed to be loose at many locations. The project site is in high damage risk wind zone. Therefore, the risk of module damage is more due galloping effect during heavy wind or dust storm.	SgurrEnergy suggests the developer to thoroughly inspect the tightening of module nuts and bolts to avoid damage to modules, which is one of the expensive commercial component in the solar PV plant.	This is forming part of O&M preventive maintenance activity as well and are being checked on annual basis. There has been sand storms but no damage has happened till date.	Noted & acceptable



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
IDT yard (All blocks)	It was observed that the HV Cable box support of IDT (Inverter duty transformer) is not matching with the constructed foundation at one of inverter yard in block-02. Therefore, the load of HV box will not be transferred to the foundation and this will put excessive load on the transformer body as the HV cable box is mounted with nuts and bolts.	SgurrEnergy suggest the developer to break the defective pedestal and re construct the same. So that the load of HV box will be evenly distribute to the foundation.	This point has been highlighted now, the same will be reviewed and corrective action will be taken, as required.	Noted & acceptable
Lightening arrestors	20 lightening arrestors were supposed to be installed at the super structure of Inverter stations. However, there was no lightening arrestor has been installed till the site visit.	It is suggested to install adequate lightening arrestors to protect the PV area from thunders and lightening. PV plant is commissioned with 175MW connected capacity, presence of LA is necessary.	Full 250MW is commissioned and LAs installed as per design.	Noted & acceptable
Module Cleaning System. (All Blocks)	Robotic module cleaning (dry cleaning) is proposed for the project. However, the bridge structure between table to table of MMS is pending which is prime requirement to install a robotic cleaning system.	Since the COD for 175 MWAC has been given to the developer. Therefore, SgurrEnergy suggest to complete the installation of bridge structure and robotic module cleaning system to avoid generation loss due to soiling.	Full 250MW is commissioned and bridge constructed as per design. Robotic cleaning working as envisaged.	Noted & acceptable



Table 13-3 ISTS-2 Site Observations

Subject	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
Main gate (PV plant)	There are three main gates proposed for both the blocks for the site accessibility. However, it was noted that the construction of the gates is pending.	Absence of main gate is a point of concern considering safety issues. Therefore, it is suggested to be installed at the earliest to avoid unauthorised access by the intruders.	All access has been gated and there is no unauthorised access to the site	Noted & acceptable
Drainage System	As per the developer, the drawing of storm water drainage is under review. Therefore, construction of storm water drainage system is pending.	SgurrEnergy suggest to get the hydrology study done and accordingly drainage system should be constructed at site on priority to avoid water logging due to moderate undulation in the plant.	Drainage work has been completed across the site	Noted & acceptable
Peripheral lighting system (All blocks)	The erection and installation of periphery lighting system is completed in block-01. However, it was not in operation as the cable termination and connection work is pending.	SgurrEnergy suggest to complete balance termination work at block-1 and completion of installation and connection work of block-02 at the earliest.	The site construction is completed and all periphery lighting is operational	Noted & acceptable
PV Modules	The nut and bolts of PV modules are found to be loosed at many places at block-01 which is already commissioned.	SgurrEnergy suggests the developer to thoroughly inspect the tightening of module nuts and bolts to avoid damage to modules, which is one of the expensive commercial component in the solar PV plant.	This is forming part of O&M preventive maintenance activity as well and are being checked on annual basis. There has been sand storms but no damage has happened till date.	Noted & acceptable



Subject	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
IDT yard	It was observed that the HV Cable box support of IDT (Inverter duty transformer) is not matching with the constructed foundation at one of inverter yard in block-02. Therefore, the load of HV box will not be transferred to the foundation and this will put excessive load on the transformer body as the HV cable -box is mounted with nuts and bolts.	SgurrEnergy suggest the developer to break the defective pedestal and re construct the same. So that the load of HV box will be evenly distribute to the foundation.	This point has been highlighted now, the same will be reviewed and corrective action will be taken, as required.	Noted & acceptable
Lightening arrestors (All blocks)	20 lightening arrestors were supposed to be installed at the super structure of Inverter stations. However, there was no lightening arrestor has been installed till the site visit.	It is suggested to install adequate lightening arrestors to protect the PV area from thunders and lightening. PV plant is commissioned with 175MW connected capacity, presence of LA is necessary.	Full 250MW is commissioned and LAs installed as per design.	Noted & acceptable
Module Cleaning System.	Robotic module cleaning (dry cleaning) is proposed for the project. However, the bridge structure between table to table of MMS is pending which is prime requirement to install a robotic cleaning system.	Since the COD for 175 MW _{AC} has been given to the developer. Therefore, SgurrEnergy suggest to complete the installation of bridge structure and robotic module cleaning system to avoid generation loss due to soiling.	Full 250MW is commissioned and bridge constructed as per design. Robotic cleaning working as envisaged.	Noted & acceptable



Table 13-4 Goyalri Site Observations

Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
AC Cable Sizing	The derating factors considered for MVAC cables are inconsistent with the standards. The selected cables from HT panel to DP structure 1Rx3Cx185mm ² are sized with net derating factor of 0.62. However, the cables are considered unsafe as they don't meet ampacity requirements.	With reference to sizing calculation documents: 1. 17004-EA-EDE-004-00 2. 17004-EA-EDE-003-00 Need to be verified whether any revised calculations are available.	19/33 KV,3C X 300 sq mm Al Cable is used from Main HT Panel to DP Structure	Noted & acceptable
Module mounting structure (MMS) - drawing	Pile cap is not provided, it is essentially required for MMS post to protect the column section against corrosion.	SgurrEnergy recommends that pile cap of minimum 150mm above ground shall be provided.	Provision of muff was decided based on risk of water stagnation, provision of proper drainage system & soil corrosivity.	Noted & acceptable
Achievement of Minimum Generation Guarantee	SgurrEnergy has observed that the generation guarantee has not been met for Goyalri in Financial Year - 22.	SgurrEnergy suggests verification of the settlement in the commercial diligence.	The same was accounted and also disclosed. For FY23, there has been no LD and generation has been much higher.	Noted & acceptable
Module Mounting Structure (MMS)	It was observed that few trackers were not functioning properly and upon discussion with site team it was informed that issues were encountered in PCB's and actuator of the trackers. Further, site O&M team has not taken the handover of the trackers from the projects team and the EPC contractor is still working on the	SgurrEnergy suggest the seller to take a detailed report from the operator of the plant and analyse the problem in details.	All trackers have been handed over to O&M post retrofitment and are working fine.	Noted & acceptable



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
	rectification/retrofitting of the actuators and PCB's.			
Inverter Station	Part 3 inverter station shed was observed to be severely damaged and the access chequered plate in the stations were also observed to be not fixed properly.	SgurrEnergy suggests to replace the shed of part 3 inverter station and undertake all the repair works which includes the re-painting works in all the super structures and fixing of the superstructure with concrete blocks.	This point has been highlighted now, the same will be reviewed and corrective action will be taken, as required.	Noted & acceptable
Weather Station	All the POA were working properly however the temperature sensor of the second WMS situated in Part 2/Part3 of the plant is not functioning. The PR calculation with the reference of WMS situated in Part 1 is not a correct approach and may give erroneous outputs for the PR.	SgurrEnergy suggest to ensure the data for temperature are collected from the Part2/Part 3 for correct calculation of the PR.	Some of the pyranometers were sent for calibration. Soiling station firmware upgradation work was in progress. Now the data will be available from WMS in SCADA.	Noted & acceptable
SCADA	Weather sensors data such as irradiation, ambient temperature, module temperature data was not available at few locations and reference is taken from nearby stations.	EPC shall verify the communication between and weather station data logger SCADA panel and shall ensure all relevant data for ease of operation and maintenance.	Some of the pyranometers are sent for calibration. Soiling station firmware upgradation work was in progress. Now the data will be available from WMS in SCADA.	Noted & acceptable



Table 13-5 NSPL Site Observations

Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
Layouts (Overall Plant Layout, MCR, Switchyard, Earthing, LA, MCS)	A substantial portion of the plant appears to be in a low-lying area with nalhas and natural streams running throughout the site.	It is recommended to conduct a comprehensive flooding assessment to accurately assess the potential risks and impacts of flooding on the plant. This will help to prevent maintenance issues and downtime during rainy seasons.	Flooding assessment is done. New drainage design done. Work is in progress at site.	Noted & acceptable
GSS SLD and Transmission Line	GSS end SLD has not been made available to SgurrEnergy for the project. Evacuation arrangements and transmission line details could not be verified.	SgurrEnergy recommends that the client provide the GSS end SLD (single-line diagram) and transmission line schedule in order to verify the sufficiency of the power evacuation arrangements.	The plant is operational for last 6 years and it was a substation based bidding. Hence, connectivity was granted based on availability of evacuation and the grid has been available for last 6 years.	Noted & acceptable
Tracker structure design calculation report	The provided DBR is highlighting only wind pressure calculation formulas considering 44m/s wind speed and does not address the stability of tracker structure	SgurrEnergy is aware that there have been warranty claims regarding Mahindra trackers, but specific details regarding these claims have not yet been provided. Furthermore, without access to a complete design report, SgurrEnergy cannot provide a comment regarding the stability of the tracker structure.	There has been no warranty claims made but supplier has suo moto replace or retrofitted the trackers.	Noted & acceptable



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
Module mounting structure (MMS) - drawing and tracker foundation drawing	Pile cap is not provided, it is essentially required for MMS post to protect the column section against corrosion.	SgurrEnergy recommends that pile cap of minimum 150mm above ground shall be provided.	Provision of muff was decided based on risk of water stagnation, provision of proper drainage system & soil corrosivity.	Noted & acceptable

Table 13-6 BREPL Site Observations

Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
Tracker foundation design report	Foundation calculation report is not provided to confirm adequacy of the pile foundation.	SgurrEnergy understands that there have been warranty claims with Mahindra trackers. Details of the claims are unknown.	There has been no warranty claims made but supplier has suo moto replace or retrofitted the trackers.	Noted & acceptable



Table 13-7 REWA Site Observations

Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
Electrical Engineering Design				
SCADA	SgurrEnergy suggest to incorporating UPS, relays, annunciators and weather monitoring station & TVM signals in SCADA architecture to ensure the monitoring and data comparison.	It is suggested to consider all the field signals to ensure the monitoring and data comparison.	Data from the mentioned devices already available in SCADA.	Noted & acceptable
AC SLD	In AC SLD rating of Huawei string inverter is indicated as 90kW whereas in SDS it is mentioned as 160kW. Number of inverters in AC SLD are indicated as 235 whereas as per SDS the number of inverters are 203.	Need to be checked if any revised version for the AC SLD is available, If not, changes need to be made in as-built drawing as per actual configuration implemented at site.	Huawei String Inverter Rating is 160 KW. Total Number of Inverters is 183 Nos. Drawing will be revised accordingly	Noted & acceptable
Earthing Calculations	As per document “18001-EA-EDE-006-01”, the 25x3mm GI flat earth strip is used for PV array earthing. The selected earth strip sizes are adequately sized as per DC fault current by following IS 3043. Further earth conductors are	Need to verified whether any revised drawing is available for 18001-EA-EDE-006-01. If not, changes to be made in As-built drawings as per actual practice followed at site.	Earthing design provided is adequate meeting the dissipation of Fault current & however we have maintained 300 mm depth at site due to rocky terrain & difficulty in excavation.	Noted & acceptable



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
	observed to be laid at only 300mm depth which is contrary to IS 3043.			
Civil Structural Engineering Design				
Tracker structure design report for 2L and 3L structure	Structural design report confirming the stability of the structure and foundation depth calculation report is not provided to confirm adequacy of the structure.	SgurrEnergy understands that there have been warranty claims with Mahindra trackers. Details of the claims are awaited.	There has been no warranty claims made but supplier has suo moto replace or retrofitted the trackers.	Noted & acceptable
Tracker foundation design report	Foundation calculation report is not provided to confirm adequacy of the pile foundation.			Noted & acceptable
O&M Contract				
Spare Part List	In absence of spare part list, the scope between the Developer and the Contractor is missing. Adequacy of spares cannot be evaluated in absence of such data.	It is suggested to verify the adequacy of the spares with the help of spare list provided for the Project and also it will help in understanding the scope of Developer and Contractor in maintaining the spares.	Noted	Noted & acceptable
Site Observations				



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
MMS Foundations (Overall Plant)	Pile cap was observed to be missing for all the MMS post in the entire PV plant which makes the pile prone to corrosion.	Pile cap shall be constructed for all the pile to avoid corrosion of column post.	Provision of muff was decided based on risk of water stagnation, provision of proper drainage system & soil corrosivity.	Noted & acceptable
PV Modules (Overall Plant)	- Longi module of 340Wp, EVA discoloration / Superstrate abrasion was observed for few of the modules in IC-7 (Inverter 25 CB-7)	Since there are discolorations observed at the edges of the module which might be due to EVA discoloration and also due to soil abrasion/ dust accumulation on the superstrate at the edges. All the modules could be visually examined for such pattern and also observe the thermography effects of the same using IR image before making a conclusion on its adversity.	Noted	Noted & acceptable
Soiling Station	No soiling station is considered for the project. To quantify soiling, loss in generation data from PV arrays of inverters that were cleaned during on-going cleaning cycle with that of soiled arrays is used. SgurrEnergy observed this to be an inaccurate method of assessing soiling losses.	Soiling station to be installed to quantify soiling losses and undertake module cleaning activity accordingly.	Module cleaning being done to meet the generation numbers and no requirement envisaged as of now.	Noted & acceptable



Key Risk	Description of Findings	Proposed Mitigation	Response from Mahindra	Comments by SgurrEnergy
SCADA	No control/ remote operation feature is available for any of the field or switchyard equipment.	SCADA system needs to be substantially upgraded to suit a plant of 250MW capacity.	1. Switchyard is not in MSPL Scope. 2. Inverter Zone level monitoring is provided 3. Separate SCADA Container along with Air conditioner is available	Noted & acceptable



13.1 General Observations:

The Table 2-1 comprises of the general observations made by the SgurrEnergy during the review and Site Visit. SgurrEnergy has received the responses regarding the observations and found them to be adequate. It should be noted that the mitigations have not been validated.

Key Risk	Site Name	Description of Due Diligence Findings	Severity	Response from Mahindra	Comments by SgurrEnergy
Module Mounting structure	General	SgurrEnergy suggests examining the structures periodically for any signs of corrosion during O&M and taking appropriate rectification measures for the same.	Medium	The same is carried out. It is part of regular O&M activity.	Noted & acceptable
Module Support structures	General	SgurrEnergy recommends implementing strict periodic inspection for the structural members for any visible sign of corrosion during routine O&M such that the integrity of structure and its durability is maintained for entire project life. SgurrEnergy also suggests use of zinc rich spray, where galvanization peel off is observed on the structural member.	Medium	This is part of regular day to day activity.	Noted & acceptable
Module Support structures	General	Members thinner than these thicknesses need special attention during operation and maintenance, as mentioned above.	Medium	Accepted	Noted & acceptable
Conclusions on DC and AC Cabling	General	Short circuit capacity has not been considered for LVAC single core cables from Inverter to IDT.	Medium	300/400 sq mm cables are used with multiple runs meeting the short circuit requirements	Noted & acceptable



Key Risk	Site Name	Description of Due Diligence Findings	Severity	Response from Mahindra	Comments by SgurrEnergy
Storm-Water Drain	ASPL	From the flood depth map, we observed that the canal flowing through the boundary may overflow during high rainfall events.	Medium	No water has entered plan through canal.	Noted & acceptable
Storm-Water Drain	General	SgurrEnergy can conclude that only a few sites have an adequate drainage system that can be verified through the documents, while the drainage planning for the other sites could not be verified due to lack of data. While the REWA site does not have any drainage at site.	Medium	All drains are completed barring REWA where no drain has been planned	Noted & acceptable



14 Solar Plant Life Extension 40 Years

The Developer may extend the operational life of the PV plant by 15 years taking the cumulative plant operational life to 40 years. SgurrEnergy has applied a probabilistic failure model to predict the failures in key components for the additional 15 years of plant life. The following sub-sections describe the assumptions, methodology and subsequently, the cost associated with replacing these components is evaluated.

14.1 Assumptions

The estimation of CAPEX from Year 26 to 40 is conducted based on the following assumptions:

- The CAPEX infusion is based solely on failure of relevant equipment and excludes performance degradation.
- Key components for a typical PV plant including central inverters and fixed tilt mounting structures are evaluated; the grouping of the components assumed is as follows:
 - PV Modules
 - Complete Inverters
 - Plant Balance of Systems (BoS) including module mounting structures, cabling, controls, and electrical secondary equipment.
- Civil buildings are assumed to have a design life of greater than 50 years; therefore, CAPEX infusion excludes building costs.
- Exclusion of transformer costs as these have a design life of 40 years.
- The cost inputs were obtained on an annual basis from the Developer to understand the overall cost of component replacement for 15 years. SgurrEnergy has not reviewed the adequacy of the cost inputs received.
- The contractual obligations under the O&M contract continue for the extension period including preventive, predictive and corrective maintenance and are followed until the extension period; this shall further be supported by liquidated damages.
- Adequate spares are maintained on site to avoid penalties caused due to extended breakdown events.
- Replacement of sub-components of inverters (IGBTs, cooling fan and various others) are assumed to be a part of the standard warranty regime under the inverter supply contract.
- The AMC is assumed to be periodically renewed for major equipment throughout the plant life.
- Periodic repowering is planned by the Developer; however, for the purpose of conceptualizing the effect of plant life extension, SgurrEnergy has not realized the consequences of repowering the DC capacity of the plant in this assessment.

14.2 Methodology of Predicting Component Failure

The annual replacement of each major equipment is based on the use of a statistical function known as the normal distribution. The input to the function is the Mean Time to Failure (MTTF) and standard deviation. MTTF is the average time it takes for a module to fail such that it does not produce any viable energy from solar irradiation. Additionally, standard deviation, which describes the variation of failure time periods among PV modules.



The normal distribution is a widely accepted tool to estimate the variation in situations where adequate data is not available. In the present case, module failure data is unavailable hence, this function is applied to understand the probable module failures from 26th year onwards. Standard deviation is set to such a value that notable replacements start from the extension period from 26th year. The MTTF is assumed based on SgurrEnergy's experience upon consulting with Tier-1 module manufacturers and details obtained in relevant literature.

Noting that the PV modules are generating components of a PV plant and the BoS cost is highly correlated to the PV arrays to be installed, SgurrEnergy has assumed a common failure rate of the BoS. Based on discussions made with the Developer, one-time inverter replacement is considered in Year 26. The cost pertaining to inverter replacement can be sourced from the O&M reserve. SgurrEnergy notes that a single replacement of inverters is representative and adequate to enable a seamless operation of inverters.

Although there would be a requirement for the replacement of modules and relevant BOS from Year 36, it is not reasonable to replace the modules till the end of extended life. Therefore, SgurrEnergy has assumed the replacement between the years 26 and 35. The modules then can be segregated and reorganized in a way to form complete strings, while the modules that have failed shall be disposed of.

The replacement schedule of each equipment is tabulated in Table 14-1.

Table 14-1: Replacement Schedule of Key Equipment⁵

Year	Module Replacements	Inverter Replacement	BoS (everything apart from civil buildings)	Replacements
26	0.000%	100%	0.000%	Applicable
27	0.001%	Not Applicable (Except sub-components)	0.001%	
28	0.004%		0.004%	
29	0.016%		0.016%	
30	0.051%		0.051%	
31	0.148%		0.148%	
32	0.378%		0.378%	
33	0.866%		0.866%	
34	1.767%		1.767%	
35	3.206%		3.206%	
36	5.168%		5.168%	
37	7.415%		7.415%	
38	9.514%	9.514%		
39	10.997%	10.997%		
40	11.530%	11.530%		

⁵ Equipment shall not be replaced from Year 36 to Year 40, since the modules then can be segregated and reorganized in a way to form complete strings, while the modules that have failed shall be disposed.



14.3 Required CAPEX Infusion

Based on the methodology and assumptions described in Sections 14.1 and 14.2, SgurrEnergy was provided with the annual replacement cost of key equipment. The equipment wise replacement **cost per MW_P** is as follows:

- PV modules: 8.9 INR millions / MW_P
- Inverters: 1 INR millions / MW_P for (only during 26th year)
- Plant BoS: 1.0 INR millions / MW_P

The annual CAPEX requirement for replacing PV plant key equipment is presented in Figure 14-1.

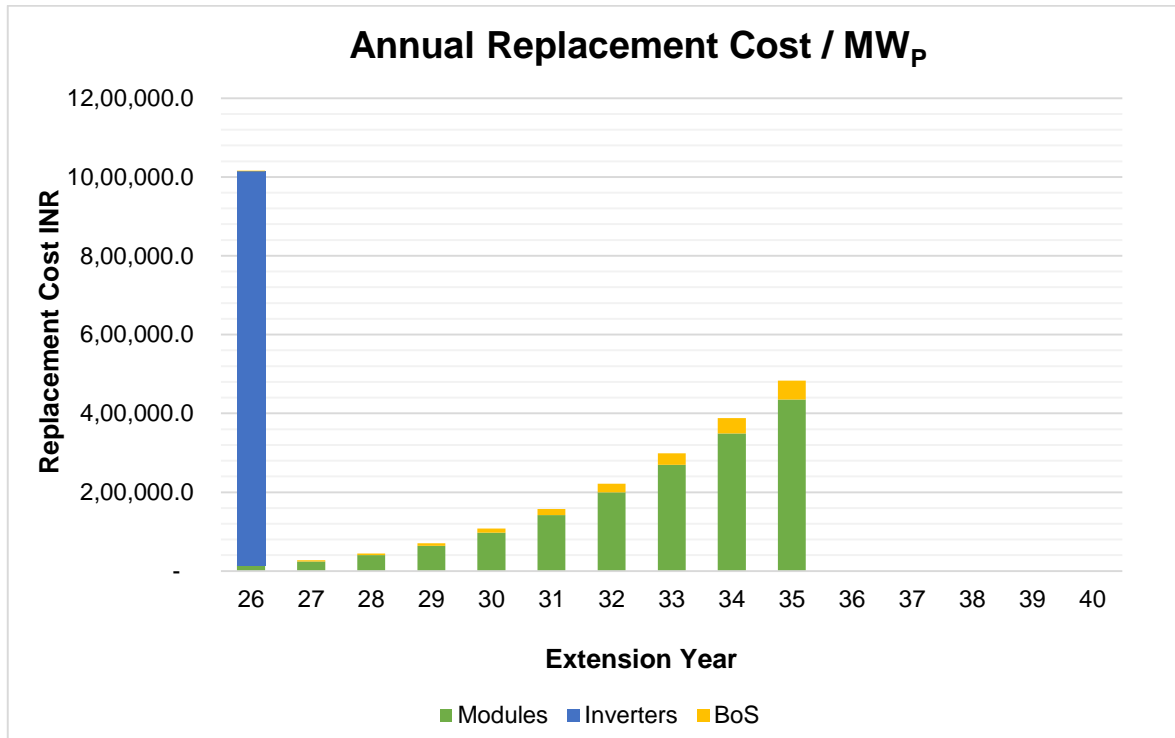


Figure 14-1: Annual Replacement Cost for plant life extension to 40 years

It shall be noted that costs are computed based on an imputed statistical representation and are subject to change based on operational resilience and maintenance quality. Table 14-2 presents the annual costs per MW_P based on the statistical modelling.

Table 14-2: Annual Replacement Cost for plant life extension to 40 years

Year	Cost (INR / MW _P)		
	Modules	Inverters	BoS
26	14,226.9	10,000,000.0	1,583.1
27	24,413.5	-	2,716.6
28	40,251.0	-	4,478.9
29	63,760.6	-	7,094.9
30	97,041.2	-	10,798.2
31	141,901.9	-	15,790.0
32	199,364.7	-	22,184.2
33	269,114.2	-	29,945.5



Year	Cost (INR / MWp)		
	Modules	Inverters	BoS
34	349,022.2	-	38,837.2
35	434,908.5	-	48,394.1
36	-	-	-
37	-	-	-
38	-	-	-
39	-	-	-
40	-	-	-
Total	1,634,004.7	10,00,000.0	181,822.7

The cost associated with the extension of plant life is provided for each asset in the tables below. The inverter replacement cost is considered a one-time cost in year 26.

Table 14-3: Project-wise Cost for Inverter Replacement

Project	Cost (INR mn)
Goyalri	60.00
SECI RJ	200.00
REWA	250.00
ISTS – 1	250.00
BREPL	10.00
ASPL	65.00
ISTS – 2	200.00
NSPL	42.00



Table 14-4: Project-wise Cost for Module Replacement (INR mn)

Year	Goyalri	SECI RJ	REWA	ISTS-1	BREPL	ASPL	ISTS-2	NSPL
26	0.0017	0.0062	0.0075	0.0081	0.0003	0.0019	0.0062	0.0011
27	0.0078	0.0280	0.0336	0.0362	0.0012	0.0084	0.0280	0.0050
28	0.0313	0.1122	0.1348	0.1451	0.0050	0.0339	0.1122	0.0199
29	0.1122	0.4028	0.4838	0.5207	0.0180	0.1216	0.4028	0.0715
30	0.3602	1.2929	1.5529	1.6716	0.0577	0.3902	1.2929	0.2294
31	1.0340	3.7118	4.4581	4.7988	0.1657	1.1202	3.7118	0.6586
32	2.6526	9.5223	11.4369	12.3109	0.4251	2.8737	9.5223	1.6895
33	6.0734	21.8018	26.1856	28.1867	0.9733	6.5795	21.8018	3.8683
34	12.3883	44.4709	53.4127	57.4945	1.9853	13.4207	44.4709	7.8904
35	22.4728	80.6715	96.8922	104.2967	3.6014	24.3455	80.6715	14.3134
Total	45.1343	162.0205	194.5982	209.4694	7.2331	48.8955	162.0205	28.7471

Table 14-5: Project-wise Cost for BOS Replacement (INR mn)

Year	Goyalri	SECI RJ	REWA	ISTS-1	BREPL	ASPL	ISTS-2	NSPL
26	0.00019	0.00069	0.00083	0.00090	0.00003	0.00021	0.00069	0.00012
27	0.00087	0.00311	0.00374	0.00403	0.00014	0.00094	0.00311	0.00055
28	0.00348	0.01249	0.01500	0.01615	0.00056	0.00377	0.01249	0.00222
29	0.01249	0.04482	0.05383	0.05794	0.00200	0.01353	0.04482	0.00795
30	0.04008	0.14387	0.17280	0.18601	0.00642	0.04342	0.14387	0.02553
31	0.11506	0.41303	0.49608	0.53399	0.01844	0.12465	0.41303	0.07328
32	0.29517	1.05958	1.27264	1.36989	0.04730	0.31977	1.05958	0.18800
33	0.67581	2.42598	2.91378	3.13645	0.10830	0.73213	2.42598	0.43044
34	1.37850	4.94847	5.94346	6.39766	0.22091	1.49338	4.94847	0.87800
35	2.50064	8.97667	10.78162	11.60555	0.40074	2.70903	8.97667	1.59272
Total	5.0223	18.0287	21.6538	23.3086	0.8048	5.4408	18.0287	3.1988



Appendix A: **Gap Analysis (Refer to attachment)**



Appendix B: **Energy Yield and Plant Performance Assessment**

