

NOT RATED
Issue Details

Listing	BSE & NSE
Open Date	29 Apr 2021
Close Date	03 May 2021
Price Band	Rs. 99-100
Market Lot	1,100 units
Minimum Lot	100 units

The PowerGrid Infrastructure Investment Trust (PGInvIT) was formed on **September 14, 2020** by the sponsor, Power Grid Corporation of India Ltd. (PowerGrid), as an irrevocable trust. The Investment objectives of the Trust are to carry on the activities of and to make investments as an infrastructure investment trust as permissible in terms of the InvIT Regulations and the Trust Deed.

Issue Structure

Offer for sale	35%
Fresh Issue	65%
Issue Size	Rs. 7,735 cr
Total units	773,499,100
QIB share (%)	≤ 75%
Non Inst share (%)	≥ 25%

PGInvIT's sponsor, PowerGrid, also acting in the capacity of its project manager, is a CPSE under the Ministry of Power, GoI. PowerGrid is engaged in project planning, designing, financing, constructing, operating, and maintaining power transmission projects across India. It also undertakes operations in the Indian telecom infrastructure sector.

During FY18-20, PGInvIT's revenue grew at 96.3% CAGR to Rs. 1,324 cr in FY20. Over the same period, its EBITDA grew at a CAGR of 95.8% to Rs. 1,286 cr in FY20 while the net profit grew at a CAGR of 82.2% to Rs. 379 cr in FY20.

❖ Key Highlights

- PGInvIT is well positioned to take advantage of the growth potential of India's power transmission industry given its financial position, support from its sponsor and the robust regulatory framework for power transmission in India.
- Of the Sponsor Tariff Based Competitive Bidding (TBCB) Projects, it proposes to acquire 5 projects initially with a total network of 11 power transmission lines of approximately 3,698.59 ckm and 3 substations having 6,630MVA of aggregate transformation capacity, as of December 31, 2020, across 5 states in India with the remaining term of 32 years.
- It intends to distribute at least 90% of the net cash available for distribution to its unit-holders once at least every quarter in every financial year.

Shareholding Pattern

	Pre (%)	Post (%)
Sponsor	100.0	26.0
Trust	0.0	74.0
Total	100.0	100.0

Key Financials (in ₹ crores)

	Sales	EBITDA	Net Profit	EBITDA Margin (%)	Net Margin (%)	Adj EPS* ₹	Adj BV* ₹	RoE (%)	RoCE (%)	P/E* (x)	P/B* (x)	EV/EBITDA (x)
FY18	344	335	114	97.6	33.2	1.5	6.6	22.2	3.7	67.8	15.1	38.9
FY19	977	944	248	96.6	25.4	3.2	15.8	20.4	7.0	31.2	6.3	14.1
FY20	1,324	1,286	379	97.1	28.6	4.9	19.8	24.7	10.5	20.4	5.0	10.0

* Post issue number of units considered

- It has been given a credit rating of Provisional [ICRA] AAA (Stable) by ICRA Ltd.; CARE AAA (Is) by CARE Ratings Ltd.; and Stable and Provisional CCR AAA/Stable by CRISIL Ratings Ltd.

❖ Risks & concerns

- The trust is newly settled and does not have an established operating history, making it difficult to accurately assess the future growth prospects.
- The trust may be unable to operate and maintain the power transmission projects to achieve the prescribed availability due to a number of factors which may adversely affect its cash flows and results of operations.

❖ Valuation

At the upper price band of the issue, PGInvIT is valued at 20.4x FY20 PE (post issue).

❖ Issue Structure and Offer Details

The proposed issue comprises of a fresh issue of Rs. 4,993.48 cr and an offer for sale of Rs. 2,741.51 cr. The price band for the issue is in the range of Rs. 99-100 and the bid lot is 1,100 units and multiples thereof.

Category	No. of units offered (crs)	Offer Details
Fresh Issue	49.93	
Offer for sale	27.42	
Total Offer for Sale	77.35	
- Qualified Inst. Buyers	58.01	≤ 75% of Total OFS
- Non Inst. Investors	19.34	≥ 25% of Total OFS

Source: Company Reports & SEBI

❖ Objects of the Issue

Purpose	Amount (Rs. cr.)
Providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets	4,993.48
General corporate purposes	•
Net Proceeds	•

Source: Company Reports & SEBI

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Corporate Office: I-Think Techno Campus, 8th Floor, 'B' Wing, Off Pokhran Road No 2, Eastern Express Highway, Thane (W) – 400608