

INDIA GRID TRUST INVIT LTD

Issue Details	
Issue Opens	17-May-17
Issue Closes	19-May-17
Issue Size (Rs. Crore)	2,250
Face value (per equity share)	10
Price Band (Rs.)	98-100
Lot Size (No of Share)	10,205 units and in multiples of 5,103 units thereof
QIB (%)	75%
Non-Institutional (%)	25%

Issue Date: 17th May- 19th May
Price Band (Rs.): 98 - 100
Lot Size (No. of Share): 10,205

Company Background

Incorporated in 2016, IndiGrid InvIT Fund is an infrastructure investment trust (“InvIT”) established to own inter-state power transmission assets in India. They are focused on providing stable and sustainable distributions to their Unitholders. Sterlite Power Grid Ventures Ltd, sponsor of IndiGrid InvIT Fund is one of the leading independent power transmission companies operating in the private sector, with extensive experience in bidding, designing, financing, constructing and maintaining power transmission projects across India.

Concerns

- IndiGrid is a new entity and does not have an established operating history, which will make it difficult for our performance to be assessed.
- Changes in government regulation could adversely affect its profitability and ability to make distribution.
- They may be unable to operate and maintain its power transmission projects to achieve the prescribed availability.

Strengths

- Stable cash flows from assets with minimal counter party risks.
- Strong Financial Position.
- Strong lineage and support from the Sponsor.
- Strong corporate governance and skilled and experienced Investment Manager.

Our View

It has unique business model. India Grid’s Initial Portfolio Assets comprise of 2 companies of Sterlite Grid I Limited (Bhopal Dhule Transition company Ltd and Jabalpur Transmission company Ltd). However, minimum investment of Rs10 Lakhs makes this IPO unattractive. Such funds may provide 8% to 12% returns before tax. If the issue is oversubscribed you may get listing gains too. If you can invest Rs10 Lakhs for long term, this would be definitely a best bet to get higher returns. If you cannot invest such large money, post listing invest Rs5 Lakhs.

Objects of the Issue

The object of the issue are to:

1. Providing loan to BDTCL and JTCL for repayment or pre-payment of debt (including any accrued interest and any applicable penalties) of banks, financial institutions, SGL1, SGL2;
2. Repayment of any other long term and short term liabilities and capital expenditure creditors.

Financials

Particulars	For the year/period ended (in Rs. Million)		
	FY-17	FY-16	FY-15
Total Revenue	4,667	3,542	599
Total Expenses	449	410	153
Profit After Tax	3,011	784	472