



## Corporate Presentation

**September 2019**

Strictly Private and Confidential

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## IndiGrid Vision

To become the most admired yield vehicle in Asia which is built upon solid fundamentals of transparency, governance & providing superior risk-adjusted returns to unitholders

**INR 300 BN  
AUM by 2022**

**Deliver  
Predictable DPU  
and Growth**

**Best in-class  
Corporate  
Governance**

# IndiGrid: Overview

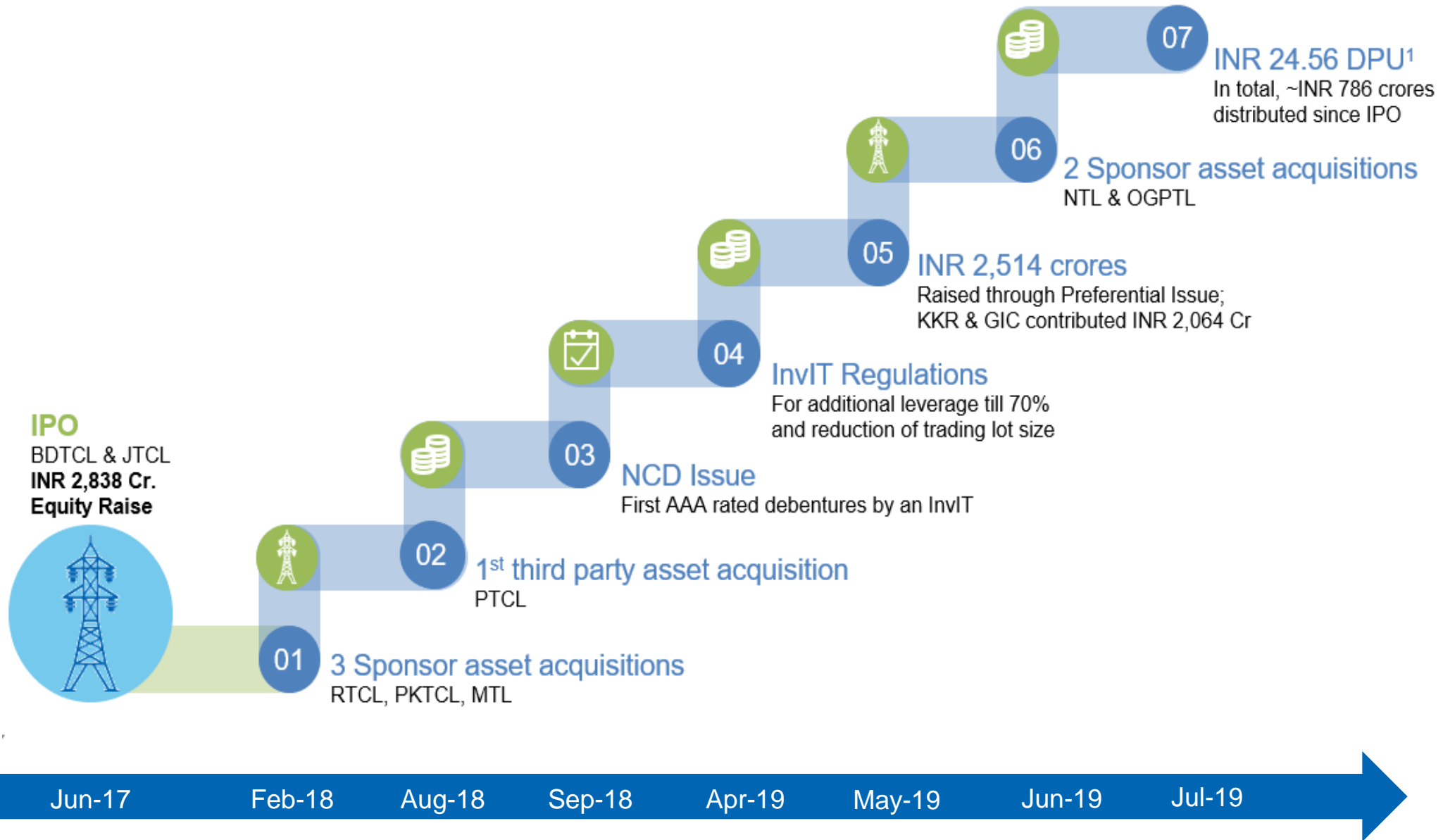
<b>Trust</b>	<ul style="list-style-type: none"> <li>India Grid Trust (“IndiGrid”)</li> </ul>	
<b>Sponsor / Project Manager</b>	<ul style="list-style-type: none"> <li>Sterlite Power Grid Ventures Limited (“SPGVL”)</li> </ul>	
<b>Independent Trustee</b>	<ul style="list-style-type: none"> <li>Axis Trustee Services Limited (“Trustee”)</li> </ul>	
<b>Investment Manager</b>	<ul style="list-style-type: none"> <li>Sterlite Investment Managers Limited (“SIML”)</li> </ul>	
<b>Shareholding of Investment Manager</b>	<ul style="list-style-type: none"> <li>60% - Electron IM PTE. Ltd (KKR affiliate entity)</li> <li>40% - Sterlite Power Grid Ventures Limited (“SPGVL”)</li> </ul>	
<b>Strong Credit Rating (“IndiGrid”)</b>	<ul style="list-style-type: none"> <li>Highest possible credit rating: <ul style="list-style-type: none"> <li><b>CRISIL (S&amp;P affiliate):</b> CCR AAA/Stable</li> <li><b>India Ratings (Fitch affiliate):</b> IND AAA/Stable</li> <li><b>ICRA (Moody’s affiliate):</b> IrAAA (Stable outlook)</li> </ul> </li> </ul>	
<b>Strategically Located Pan-India Portfolio</b>	<b>Operational Assets:</b> <ul style="list-style-type: none"> <li>8 inter-state power transmission assets located across nine states in India, consisting of: <ul style="list-style-type: none"> <li>2 initial portfolio assets, 5 acquired from ROFO assets of Sponsor, 1 asset from third party</li> <li>18 transmission lines with approximately 4,900 circuit length (ckms)</li> <li>4 sub-stations with 7,735 MVA transformation capacity</li> </ul> </li> </ul>	<b>Sponsor Assets Provide Growth Pipeline</b> <ul style="list-style-type: none"> <li>5 Sponsor assets; Framework Agreement on 3 Assets, ROFO (Right Of First Offer) on 1 asset</li> <li>1 commissioned and other 4 are under various stages of development</li> <li>20 transmission lines with a total circuit length of approximately 3,240 ckms</li> <li>7 sub-stations with ~8,000 MVA of transformation capacity</li> </ul>
<b>Long Asset Life</b>	<ul style="list-style-type: none"> <li>All portfolio assets awarded on Build Own Operate and Maintain (‘BOOM’) basis for a period of 35 years<sup>1</sup> and useful life of 50 years<sup>2</sup></li> </ul>	

Note:

1. ENICL Transmission Service Agreement (TSA) is for 25 years from the date of issue of transmission license.

2. Crisil Report

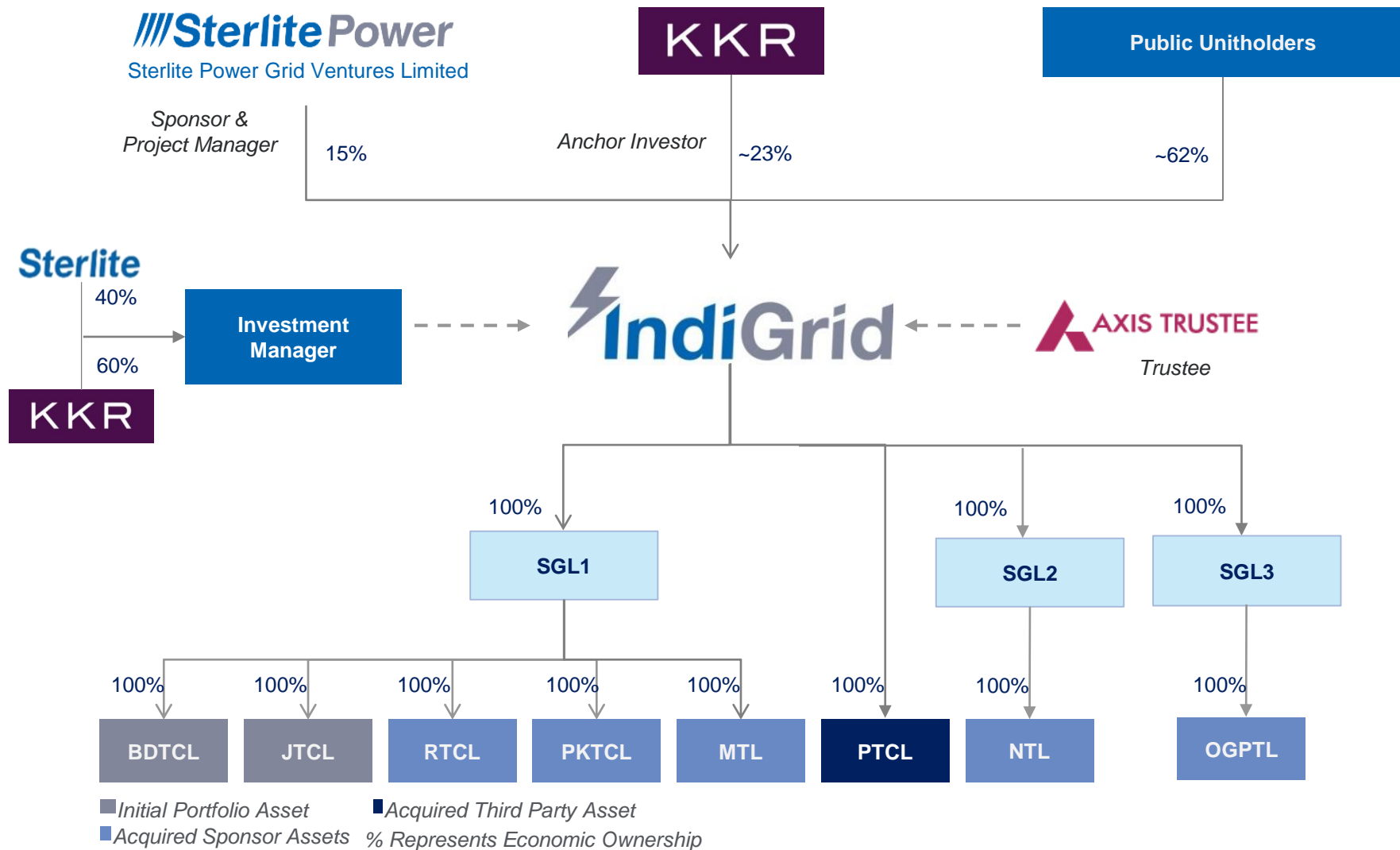
# Our Story So Far



BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited

1 = From listing till Q1FY20

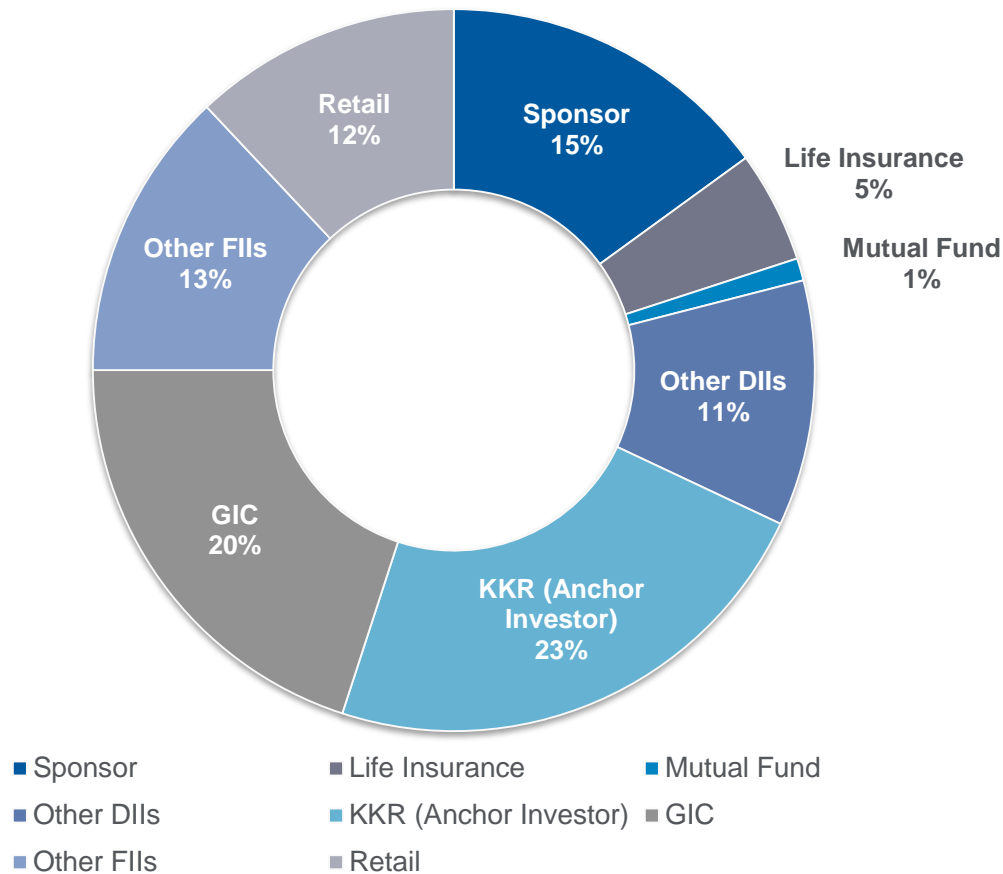
# IndiGrid Corporate Structure



SGL1 = Sterlite Grid 1 Limited, SGL2 = Sterlite Grid 2 Limited, SGL3 = Sterlite Grid 3 Limited, BDTCL = Bhopal Dhule Transmission Company Limited, JTCL = Jabalpur Transmission Company Limited, RTCL = RAPP Transmission Company Limited, PKTCL = Purulia & Kharagpur Transmission Company Limited, MTL = Maheshwaram Transmission Limited, PTCL = Patran Transmission Company Limited, NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase II Transmission Limited

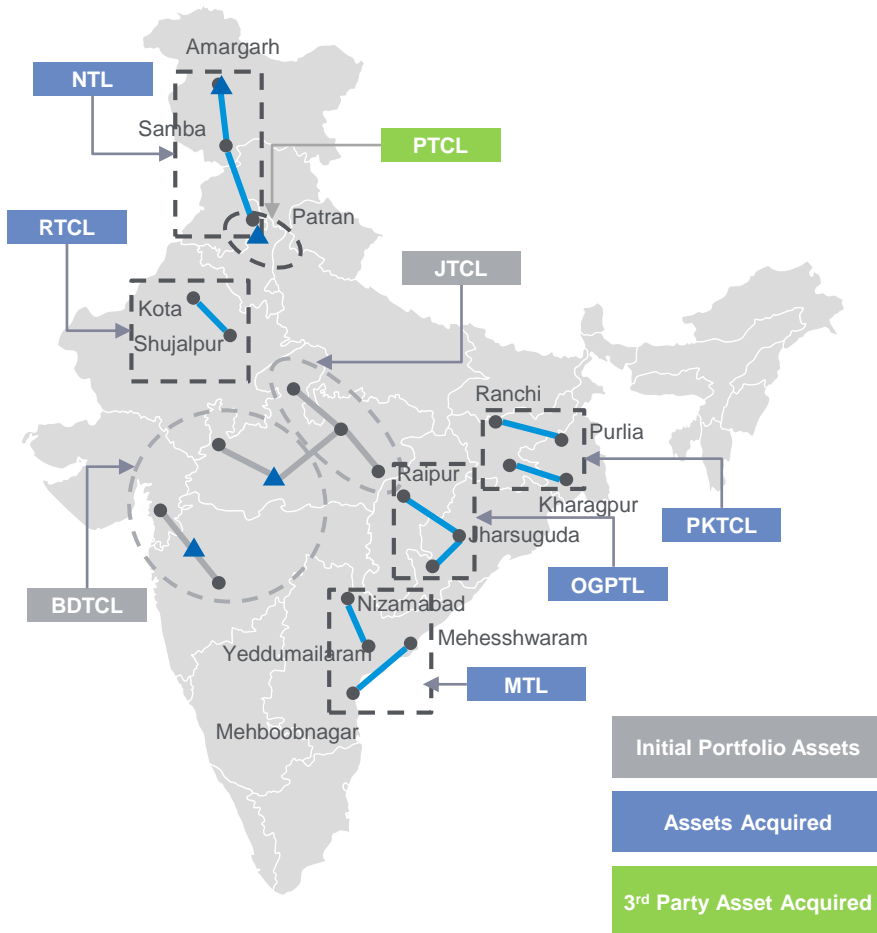
# Diversified Unit Holders

## Unit Holding Pattern (As on September 13, 2019)

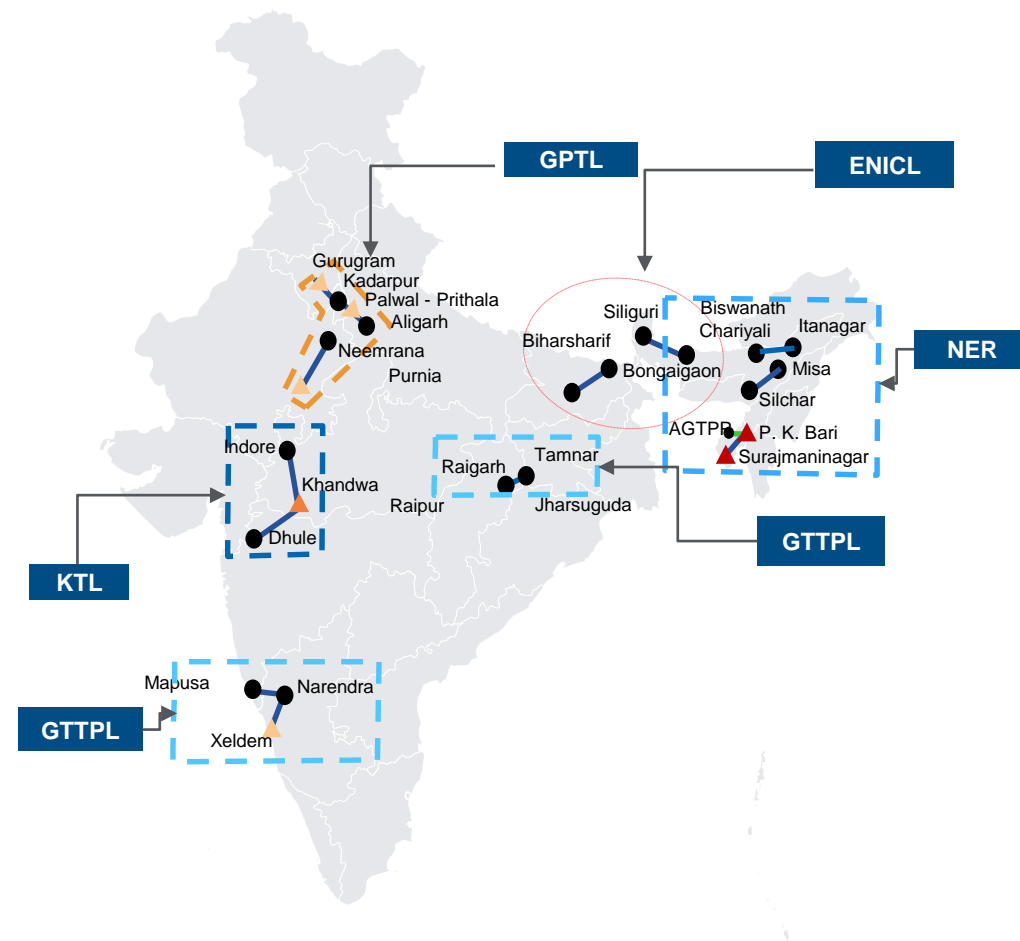


# Portfolio: Strategically Located Long-term Assets

## 8 Portfolio Assets



## 5 Sponsor Assets



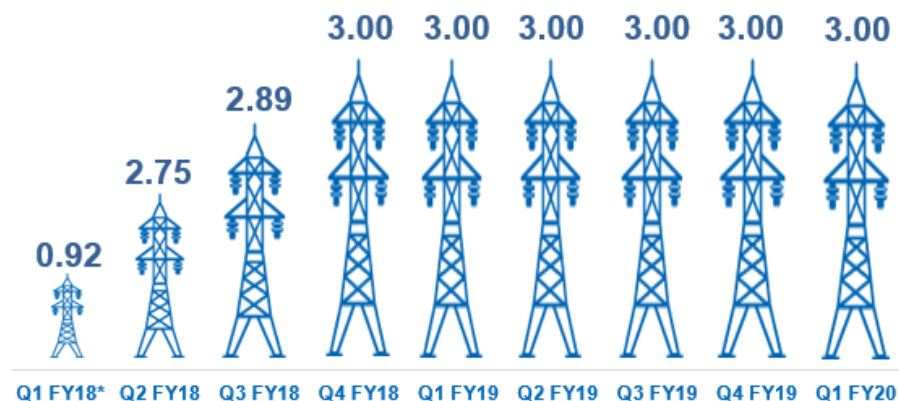


# Continued Strong Financial Performance

## Consolidated Financials

INR million	Q1 FY20	Q4 FY19	Q1 FY19
Revenue	2,061	1,705	1,600
EBITDA	1,894 <sup>#</sup>	1,508	1,458
DPU	3.00	3.00	3.00

## Quarterly DPU (INR)



**INR 24.56/ unit amounting to ~INR 7,857 million distributed since listing**

<sup>#</sup>Current EBITDA includes only 1 month of operations for NTL and 3 days for OGPTL

\*Q1 FY18 represents only 1 month of operations

# Prudent Liability Management

**8.75%**

Average Cost of Debt

**AAA**

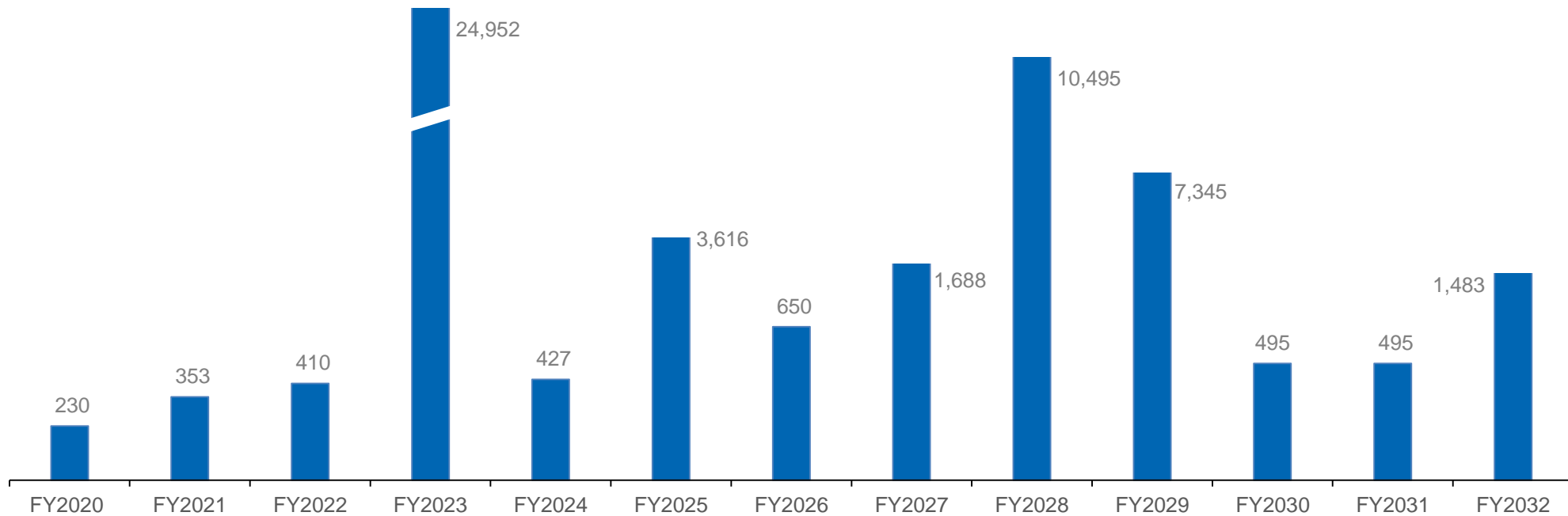
Rating by CRISIL, ICRA, India Ratings

**~6 years**

Average Maturity of Debt

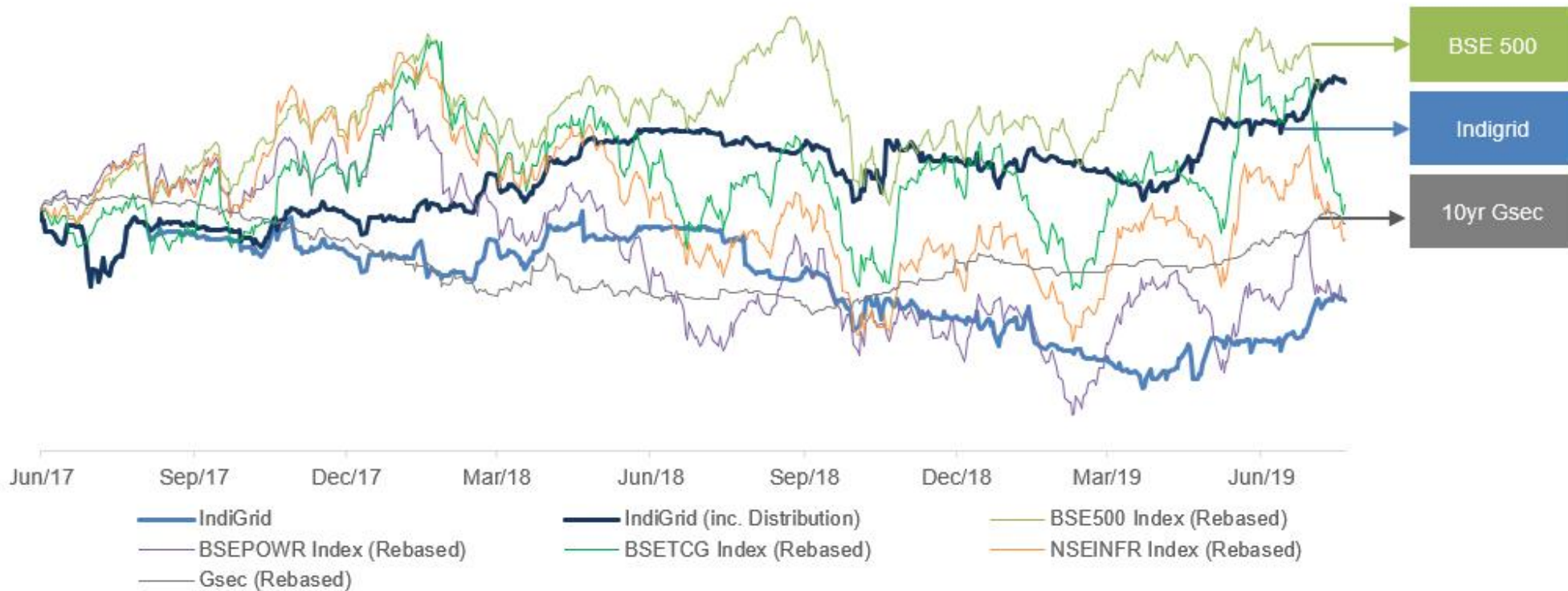
**100%**

Fixed Rate



Repayment Schedule as of July 31, 2019 (in INR Millions)

# Trading Performance Since IPO – Low Volatility...

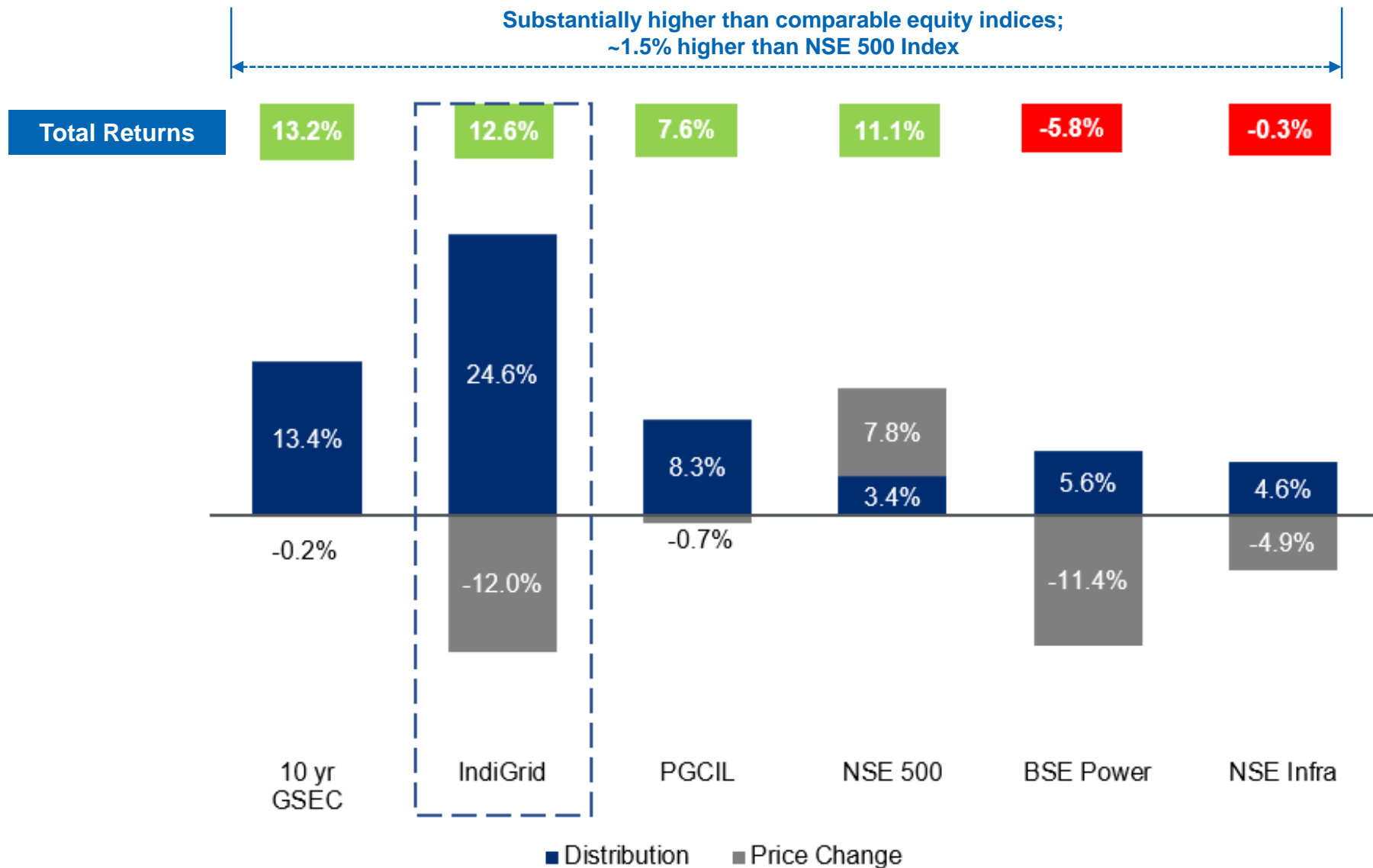


Beta compared to NSE 500	IndiGrid	BSE 500	BSE Power	BSE Capital Goods	NSE Infra	G-Sec Bond
	0.10	0.99	0.93	1.18	1.07	0.03

Source: Bloomberg

Note: Beta calculations have been taken from IG listing date June 6, 2017 to September 13, 2019 on a weekly basis.

# ....Superior Risk Adjusted Total Returns since listing



Source: Bloomberg

Note: Total Return chart is from IG listing date June 6, 2017 to September 13, 2019.

# Strong Asset Pipeline Visibility

Framework Agreement Assets  
worth INR 65,000 million

ROFO  
Asset

Under  
Construction

Recently won  
ISTS Projects

Third Party  
Landscape

Overview

Scheduled  
COD

Length

Khargone  
Transmission Ltd  
(KTL)



2x765 kV D/C  
lines, 1x400 kV  
D/C line  
and 1x765/400  
kV substation

Jul 2019

620 ckms

Gurgaon-Palwal  
Transmission  
Ltd (GPTL)



5x400kV D/C  
lines and  
3x400/220 kV  
substations

Sep 2019

270 ckms

NER-II  
Transmission  
Limited  
(NER)

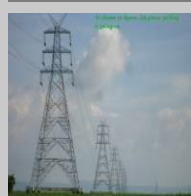


2x400 kV D/C  
lines, 2x132 kV  
D/C lines  
and 2x400/132  
kV substations

Nov 2020

965 ckms

East North  
Interconnection  
Ltd  
(ENICL)



2 x 400 kV D/C  
lines

Commissioned

909 ckms

Goa Tamnar  
Transmission  
Project Ltd.  
(GTTPL)



2x400 kV D/C  
quad lines,  
1x765 kV D/C  
line, 2x500 MVA,  
400/220 kV  
substation

Nov 2021

479 ckms

WRSS XIX &  
NERSS IX



WRSS XXI  
Part B



Udupi –  
Kasargod  
Project



Length  
~17,030 ckms

Capacity  
~18,730 MVA

Total ISTS and  
Intra-State Projects  
28

SPONSOR PIPELINE

Pipeline of Sponsor and Third-Party Assets Provide Future Growth Opportunity





## Key Strengths

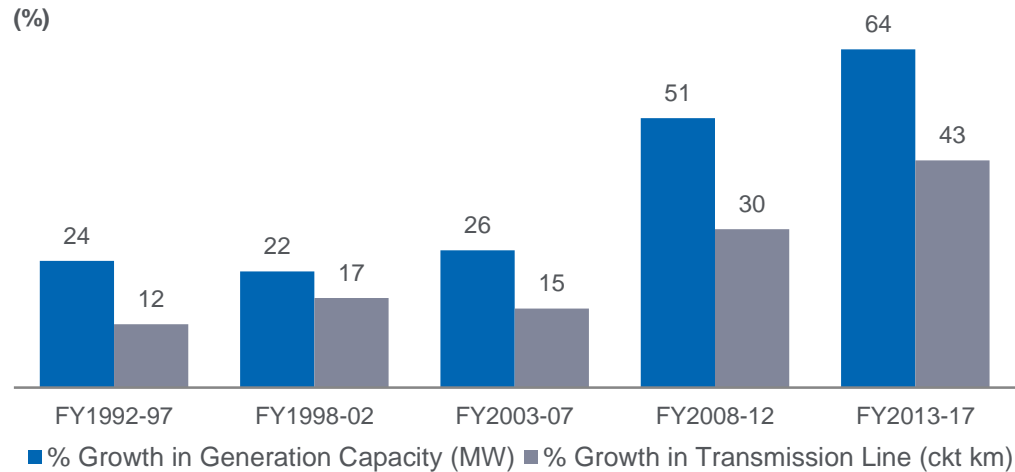
# IndiGrid: Key Strengths

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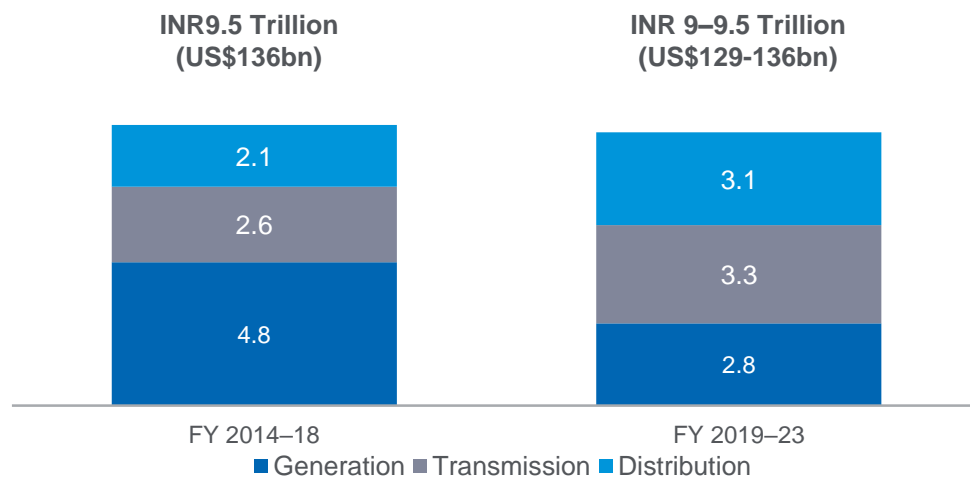


# 1 Transmission Sector: Structural Growth Story

## Significant Under-Investment in Transmission Historically



## INR 3.3 Tn Investment in Transmission Sector Over the Next 5 Years



## Inter-Regional Power Demand-Supply Scenario

### Inherent Criticality of Transmission Systems

North (% of India)	
Demand	31%
Generation	26%

North East (% of India)	
Demand	1%
Generation	1%

West (% of India)	
Demand	31%
Generation	37%

East (% of India)	
Demand	11%
Generation	16%

South (% of India)	
Demand	26%
Generation	20%

- Hydro generation centers
- Resources—rich Areas (Coal)
- Major load centers
- Indicates power flow from power surplus regions to key load centers

Source: World Bank data Indicators (WDI), CEA, CRISIL Research

Note:

1 KWh per capita data as reported by CEA and GDP per capita data sourced from WDI

# 1 Sector Provides Attractive Risk-Return Profile

	Inter State Power Transmission	Power Generation	Roads	Ports
<b>Certainty of Cash Flows</b>	<p>Driven by long-term agreements</p>	<p>Offtake and cost of fuel a key risk</p>	<p>Traffic risk in BOT projects</p>	<p>End-user industry risk</p>
<b>Counter Party Risk</b>	<p>Exposure limited to systemic risk</p>	<p>Direct exposure to debt-laden SEBs</p>	<p>Cost over-runs, limited O&amp;M impact toll collection</p>	<p>Exposure to multiple end-users</p>
<b>Operational Risk</b>	<p>Limited O&amp;M requirements</p>	<p>Substantial periodic maintenance needs</p>	<p>High O&amp;M required</p>	<p>Limited O&amp;M requirements</p>
<b>Future Growth Potential</b>	<p>Severe deficit in power transmission capacity</p>	<p>High potential given power deficit situation</p>	<p>High growth potential</p>	<p>Good potential, limited by feasible locations</p>
<b>Competitive Environment</b>	<p>Few credible private players</p>	<p>Highly competitive given multiple players</p>	<p>Highly competitive given multiple private players</p>	<p>Few private players</p>
<b>Summary</b>				

Least Favourable
 
 Most Favourable

## 2 Stable Business Model with Annuity Cash Flows

### Fully operational assets

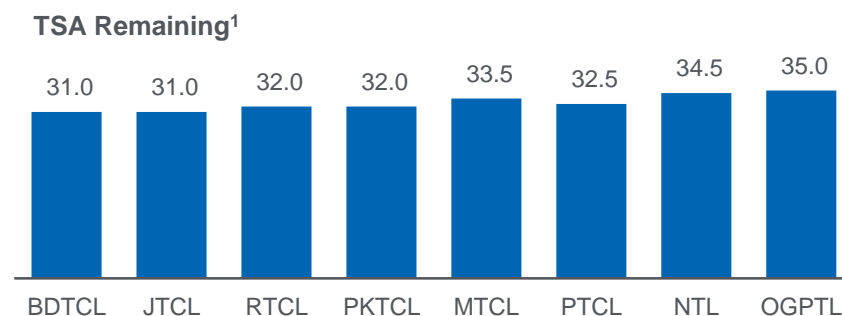
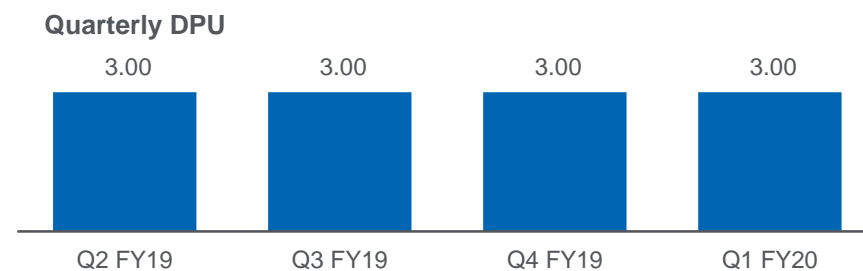
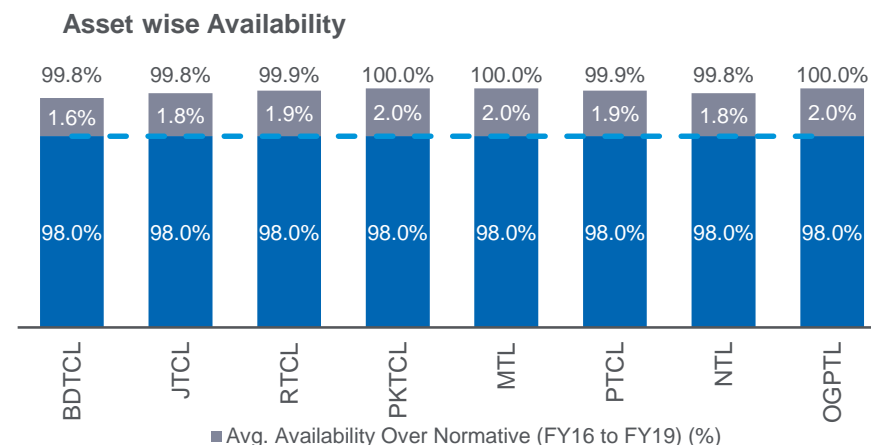
- No construction risk and low operating risk
- No volume risk as tariffs linked to availability
- Incentive payments for maintaining high availability – IndiGrid has consistently maintained availability above required threshold

### Annuity Cash flows

- FY18 DPU\* of INR 9.56 – implying annualized DPU of INR 11.47
- FY19 DPU guidance of 12.00 achieved
- FY20 DPU guidance of INR 12.00 on track

### Long Term Transmission Service Agreements (TSAs)

- Average residual TSA of ~33.0 years across eight assets
- Average technical life is 50 years as per Technical Report



### Long Term Annuity Cash Flows from Portfolio of Fully Operational Superior Assets

Note: \* For 10 months of operations;1: Residual life calculated as on 31st March 2019;

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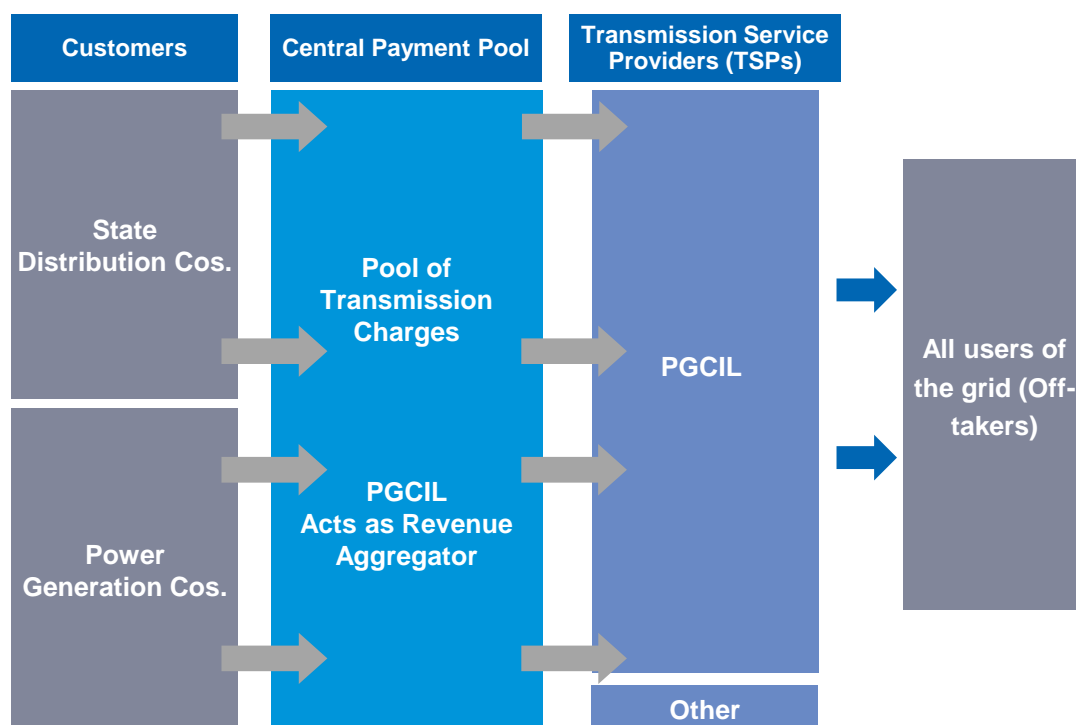


## 2 Robust Contractual Framework

### Robust Contractual Framework



### Minimal Counter Party Risk Due to Point of Connection (PoC) Mechanism



- PGCIL as a Central Transmission Utility (CTU) is responsible for billing and collecting transmission charges from all transmission users and disbursing to transmission licensees
- Payments made in central payment pool; shortfall shared on pro-rata basis by all TSPs
- Tariffs linked to availability, irrespective of the quantum of power transmitted through the line
- Transmission costs form lower proportion of the total costs for off-takers
- Payment security in the form of revolving letter of credit
- Proven collection track record

**Corporate Credit Rating AAA/Stable by CRISIL and 'IND AAA'/Stable by India Ratings**

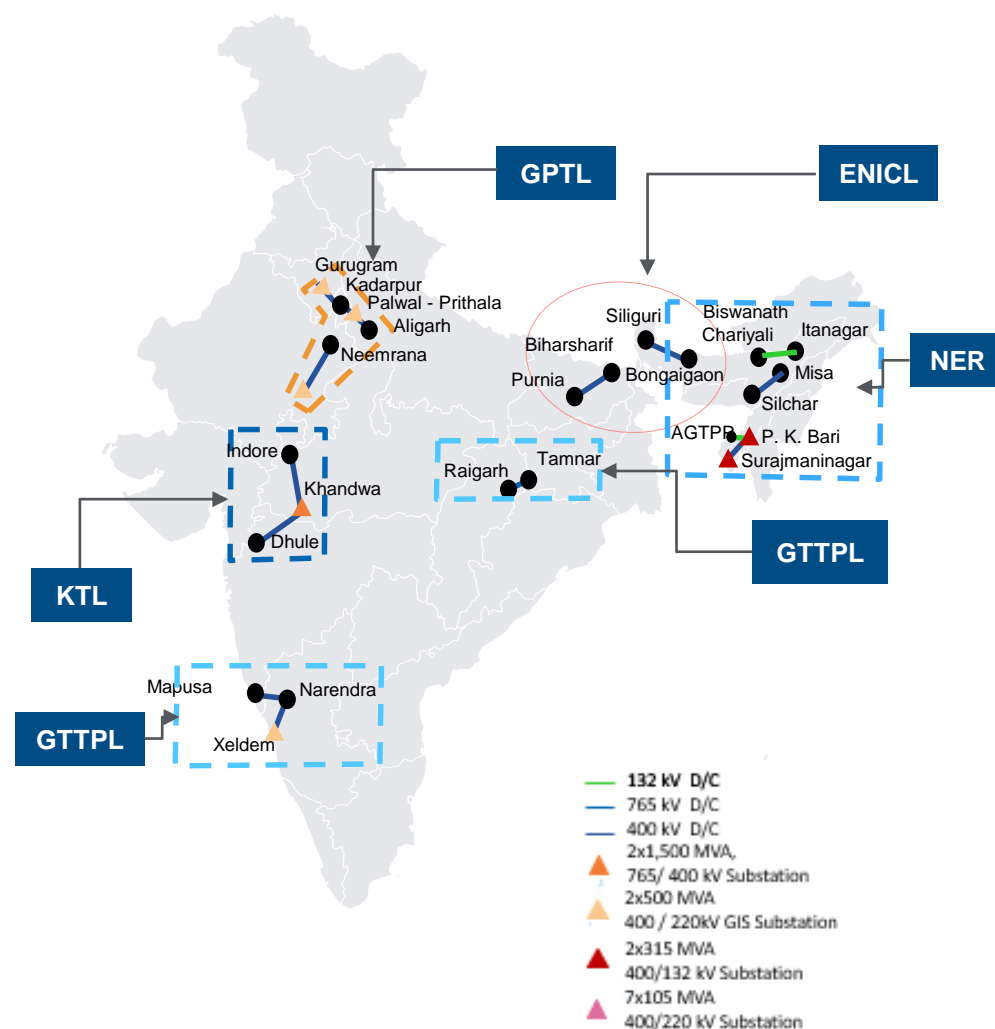
# 3 Strong Visibility on Future Growth

## Sponsor Assets

- 5 Sponsor assets– 1 fully commissioned and 4 Under Construction
- Framework Agreement signed for acquisition of 3 under construction assets with acquisition price already locked in - KTL, GPTL, NER
- 20 transmission lines – 3,240 ckms of circuit length
- 7 substations
- ENICL continues to be a ROFO asset
- All material acquisitions subject to approval by majority of Unitholders excluding the sponsor<sup>1</sup>

## Third Party Acquisitions & New term bids

- IndiGrid actively pursuing third party assets for acquisitions
- First third-party acquisition of PTCL completed in FY19 – Total consideration of INR 2,320 Mn
- Additionally, pipeline of 28 key third-party transmission projects in India across 17,030 ckms and 18,730 MVA
- INR 90 Bn<sup>2</sup> worth inter state and Intra-state bids are in various stages of tendering in the near term
- Sponsor in a strong position to capitalize on this opportunity – ability to enhance future pipeline of assets



Note:

1. Related Party Transactions including ROFO assets exceeding 5% of value of IndiGrid's assets to require unitholder approval wherein related parties cannot vote
2. As on July 2019

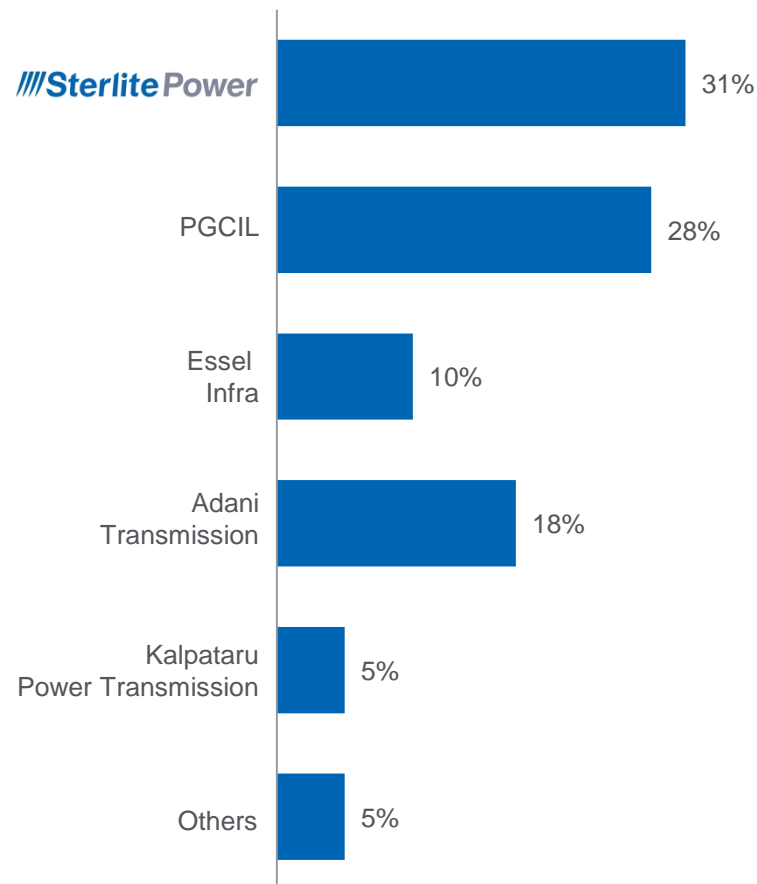
## 4 Backed by Experienced Sponsor

### Leading Player in the Sector

- One of the leading independent power transmission companies in the private sector, with market share of 31% in under the TBCB<sup>1</sup>
- 12 inter-state power transmission projects: 8 Fully Operational
- 38 power transmission lines of ~8,000 ckms, 10 substations of 14,995 MVA transformation capacity
- Focused on the Build, Own, Operate, Maintain (BOOM) Model
- 700+ employees in India with in-house design, engineering, projects & services team
- Partners with leading Indian EPC companies for projects

### Largest Share of TBCB Projects

*Market Share in competitively-bid projects (%)<sup>1,2</sup>*



**Well Positioned to Leverage Growth Potential of India's Power Transmission Industry with Support from Sponsor**

Source: Monthly progress Report of Transmission Projects awarded through Tariff Based Competitive Bidding (TBCB) Route (CEA) , CRISIL Research

1. As of February 2019

2. Transmission projects which are cancelled or projects whose TSA has been terminated have been excluded

# 5 Strong Corporate Governance Framework

## Experienced Board of Directors



**Tarun Kataria**  
Independent Director

- Independent Non-Executive Director of Mapletree Logistics Trust Management and chairs Audit Committee of HSBC Bank (Singapore)
- Previously, served as CEO of Religare Capital Markets Limited, Managing Director and Head of Global banking and markets at HSBC India and Vice Chairman of HSBC Securities and Capital Markets Private Limited
- MBA in Finance from the Wharton School of the University of Pennsylvania



**Shashikant Bhojani**  
Independent Director

- Former Independent Director on the board of directors of L&T Infrastructure Finance Company Limited
- Former partner at Cyril Amarchand Mangaldas since 2001
- 28 years experience at ICICI Limited starting as law officer and reaching Board of Directors



**Rahul Asthana, IAS**  
Independent Director

- Non Executive Director on the board of directors of Mahindra Vehicles Manufacturing Ltd, Aegis Logistics, and NBS International
- Ex Chairman of Mumbai Trust and Maharashtra State Electricity Board
- Bachelor's degree from IIT Kanpur and MBA from ICPE University of Ljubljana, Slovenia



**Sanjay Nayar**  
Non-Executive Director

- Member and CEO of KKR India. Previously, he served as CEO of Citigroup's Indian and South Asian operations.
- Serves on the Board of KKR's portfolio companies, Radiant Lifecare, Coffee Day Holdings, Avendus Capital Pvt. Ltd, Max Financial Services Ltd. and Ramky Enviro Engineers Ltd
- Bachelor's Degree in Mechanical Engineering from Delhi University and MBA from Indian Institute of Management, Ahmedabad



**Pratik Agarwal**  
Non-Executive Director

- MD & CEO of Sterlite Power, Vice-chairman of SPGVL.
- Extensive experience in building core infrastructure businesses in ports, power transmission and broadband
- Bachelor's degree from the Wharton Business School and MBA from the London Business School



**Harsh Shah**  
CEO and Executive Director

- Extensive experience in Private Equity financing. M&A, infrastructure financing, regulatory and macro economic policy
- Worked with L&T, L&T Infrastructure Finance, P&G
- MBA from the National University of Singapore

**Experienced Board with Independent Chairman**

# 5 Strong Corporate Governance Framework

## Board Committees and Unitholder Rights

<b>Audit Committee</b>	<ul style="list-style-type: none"> <li>• 2/3<sup>rd</sup> Independent Directors</li> <li>• Chairperson – Independent Director</li> </ul>
<b>Investment Committee</b>	<ul style="list-style-type: none"> <li>• 100% Independent Directors</li> <li>• Approve investment decisions in relation to related party transactions, further issue of units</li> </ul>
<b>Nomination and Remuneration Committee</b>	<ul style="list-style-type: none"> <li>• 2/3<sup>rd</sup> Independent Directors</li> <li>• Chairperson – Independent Director</li> </ul>
<b>Unitholder Rights</b>	<ul style="list-style-type: none"> <li>• Majority vote is essential for all Related Party Transactions and exceeding 5% of asset value</li> <li>• Any debt raising beyond 25% of asset value also requires unitholder vote</li> </ul>

- 100% approval from unitholders who voted for acquisition of sponsor assets-RTCL, PKTCL and MTL in Nov 2017 EGM
- 100% approval from unitholders who voted for acquisition of sponsor assets-NTL and OGPTL in May 2019 EGM
- 82% approval from non-Sponsor unitholders who voted for capital raising in July 2018 AGM
- 100% approval from non-Sponsor unitholders who voted for increasing leverage cap beyond 49% in July 2019 AGM





## Appendix

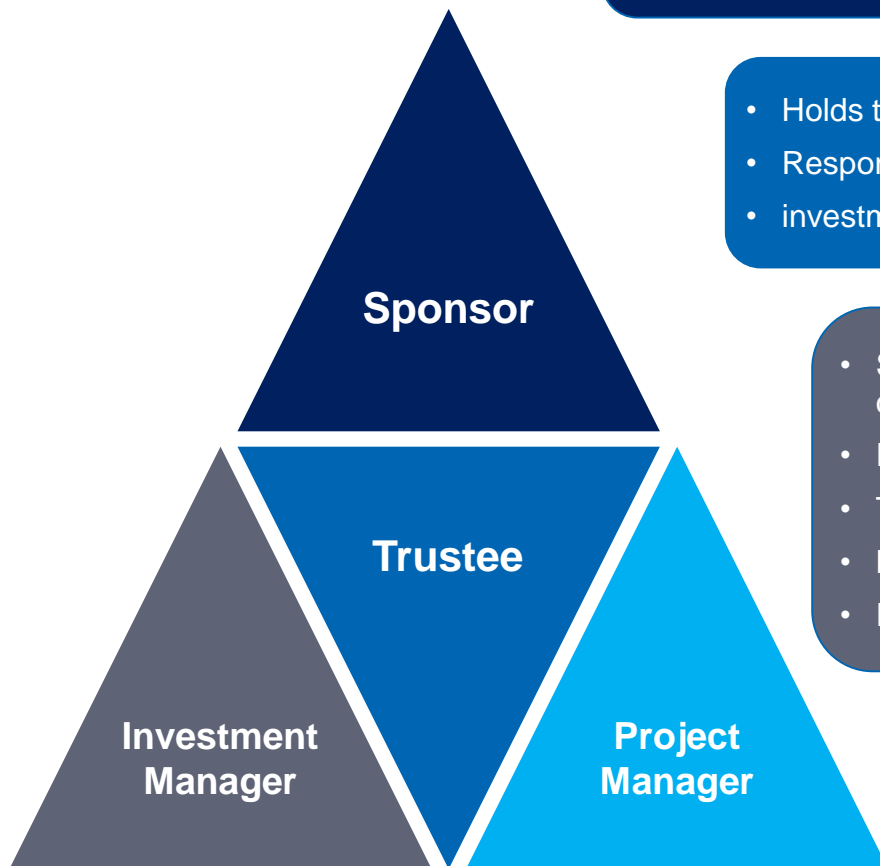
# InvIT Structure

- Sets up the InvIT
- Transfers its shareholding in SPV/ assets to the InvIT
- Appoints the Trustee

- Holds the InvIT assets in trust for the benefit of the unitholders
- Responsible for ensuring that the business activities and
- investment policies comply with the provisions of the regulations

- Setting the strategic direction of the InvIT and deciding on the acquisition, divestment or enhancement of assets.
- Responsible for all activities related to issue and listing of units
- Takes decisions on distribution to unitholders
- Makes disclosures to various stakeholders as per regulations
- Redresses grievances of unitholders

- Responsible for the day-to-day operations and management of the assets.



# Regulatory Framework and Strong Governance

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## Distribution and Borrowings

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- At least 90% of net distributable cash flows of the InvIT to be distributed
- Net consolidated borrowing capped at 70% of the value of InvIT assets

## Independent Board

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- At least 50% of the board of directors of Investment Manager to be independent and should not be directors or members of the governing board of another InvIT

## Governance

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- 100% Independent Directors on Investment Committee
- Independent Valuers and Advisors
- Sponsor to own minimum 15% units of IndiGrid for a minimum period of three years
- Sponsor can not vote in Related party Transactions (RPTs)

## Unitholder Rights

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- Majority vote is essential for all RPTs and exceeding 5% of asset value
- Any debt raising beyond 25% of asset value also require unitholder vote

Thank You