



Corporate Presentation

May 2019

Strictly Private and Confidential

Vision



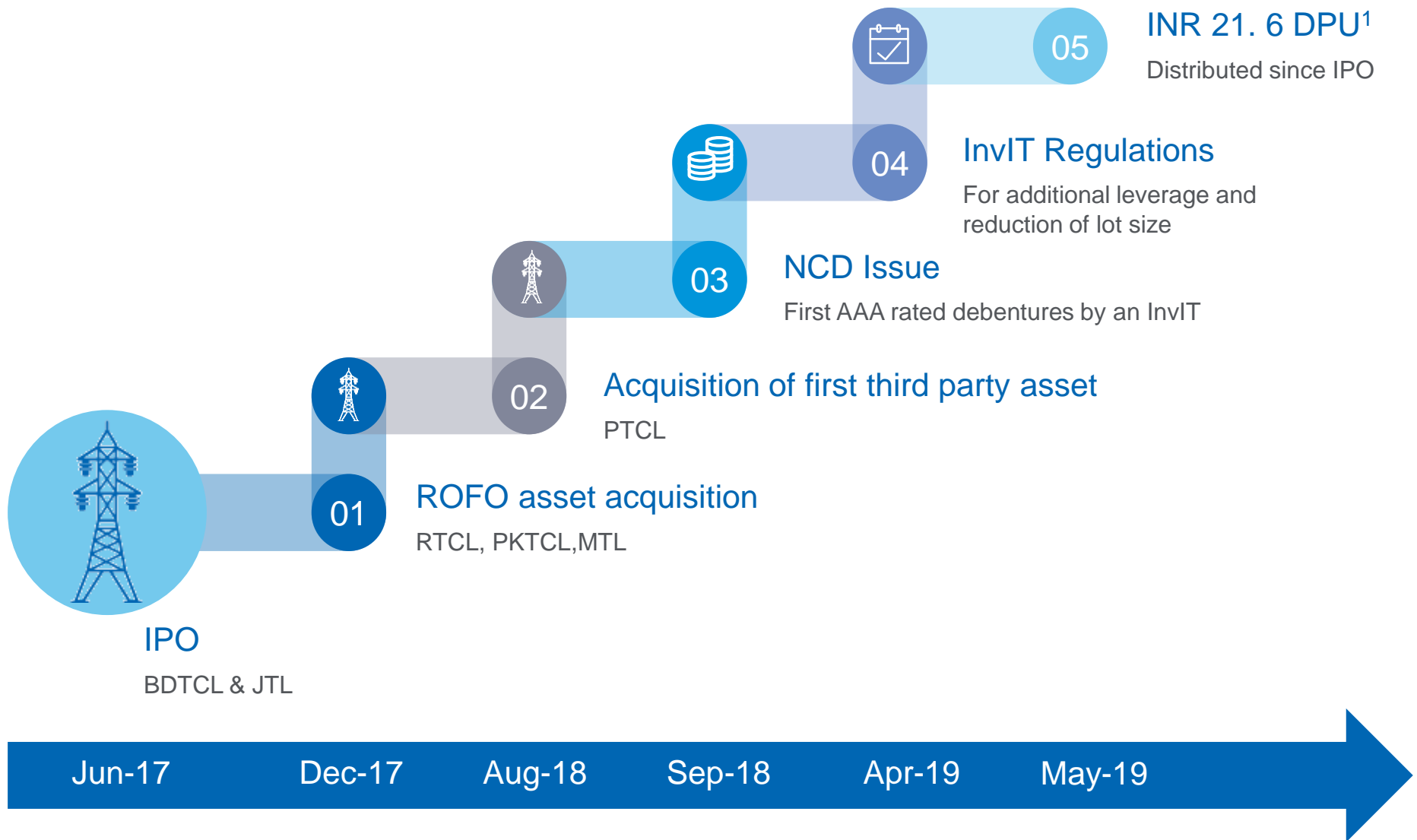
**INR 300 BN
AUM by 2022**

**Predictable
Distribution
and Growth**

**Best in-class
Corporate
Governance**

To become the **most admired yield vehicle** in Asia

Our Story So Far



Note:

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

1. From listing till Q4FY19

Transaction Highlights

1

Raised INR 25.1 bn of Primary Capital through Preferential Issue of which KKR & GIC contributed INR 20.6 bn

The logo for KKR, consisting of the letters "KKR" in white, bold, sans-serif font, set against a dark purple rectangular background.

2

Signed definitive agreements to acquire INR 115 bn worth transmission assets from Sterlite power

3

KKR to be inducted as a sponsor of IndiGrid alongside Sterlite Power

4

KKR and Sterlite Power will co-own the Investment Manager of IndiGrid

Key Advantages for IndiGrid



- Participation by marquee investors in the preference issue – a testimony to the InvIT platform
- Capitalize the platform adequately for the next 2 years for growth via acquisitions till INR 170 Bn
- Acquisition of ROFO assets from Sterlite (NTL and OGPTL)¹
- Visible pipeline of INR 65 Bn acquisitions under framework agreement with Sterlite Power
- Benefit from Investment and asset management expertise from KKR and Sterlite Power

Note:

1. NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase Transmission Limited

Transaction Details

Preferential Issue Details

- Issue size: INR 25.1 bn @ INR 83.89 per unit
- New Units: 300 mn
- Total Units post issue : 583 mn
- Anchor Investors: KKR (INR 10,840 mn), GIC (INR 9,800 mn)
- Use of Proceeds: Acquisition of transmission assets
- Edelweiss / Citi/ Axis (to IndiGrid) and EY (to KKR) acted as M&A advisors

Acquisition of NTL & OGPTL

- SPA signed for acquisition of NTL¹ & OGPTL¹ (INR 50,390 mn)
 - NTL: INR 38,290 mn²
 - OGPTL: INR 12,100 mn²
- Inter-state electric transmission assets
- Operational and revenue generating

Other Key Considerations

- KKR plans to acquire controlling interest in the investment manager in tranches - stake up to 74% subject to unitholder's & SEBI approval
- KKR intends to acquire additional 15% stake in IndiGrid from Sterlite post it being designated as Sponsor.

Framework Agreement

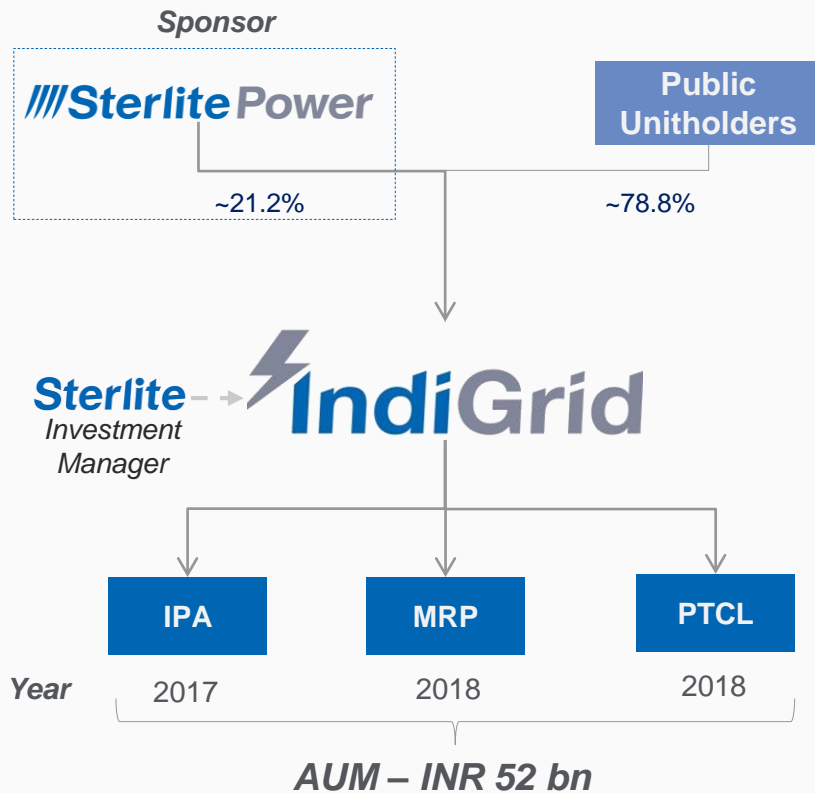
- Provides visibility for acquisition of under construction assets with acquisition price already locked in
- Acquisition of three assets (INR 65,000 mn):
 - GPTL³: INR 10,250 mn²
 - KTL³: INR 13,750 mn²
 - NER³: INR 41,000 mn²
- Assets to be acquired within 13 months from COD⁴

Note:

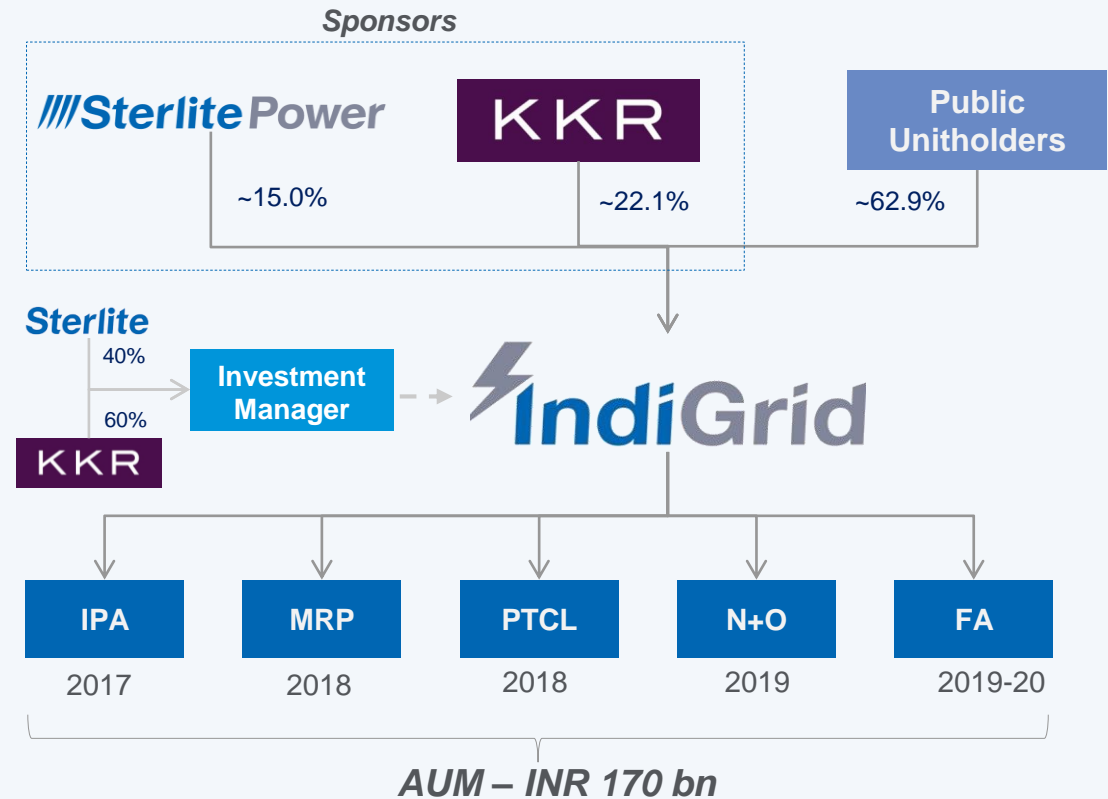
1. NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase Transmission Limited
2. Subject to adjustments on account of interest rate, cash and cash equivalents, liabilities and other adjustments on the closing date
3. NER = NER-II Transmission Limited, GPTL = Gurgaon-Palwal Transmission Limited, KTL = Khargone Transmission Limited
4. COD: Commercial Operations Date

Deal Structure

Pre Transaction



Post Transaction



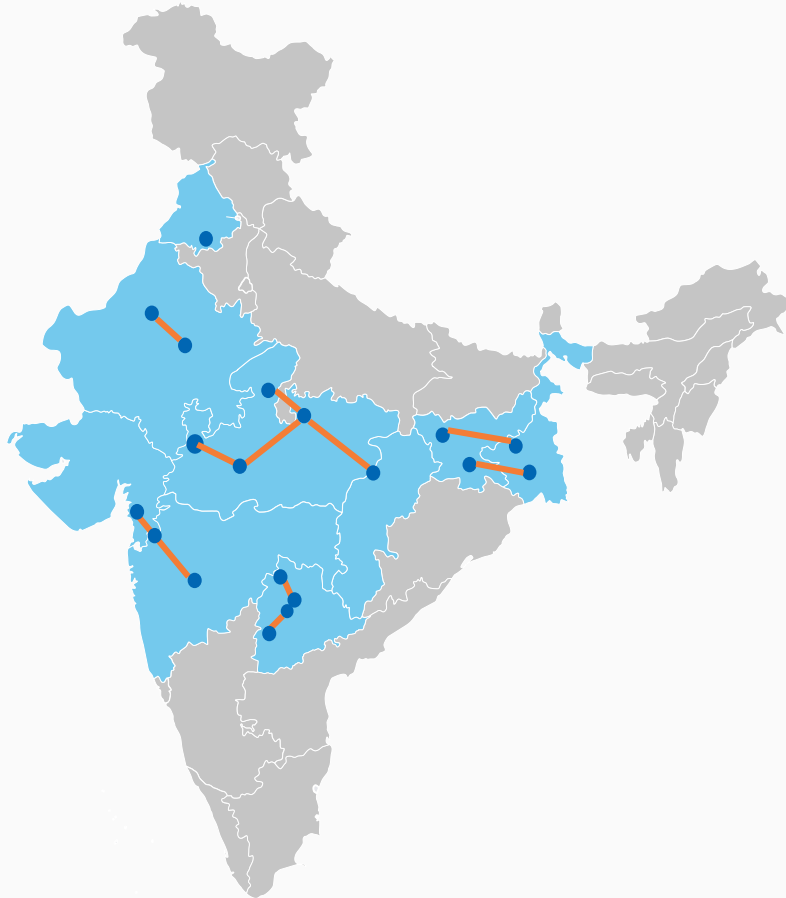
- KKR includes KKR and its affiliates
- KKR to acquire stake in Investment Manager (IM) in 3 tranches (a) ~20% at the time of preferential allotment; (b) ~40% based on regulator and unitholder approval (total ~60%); (c) ~14% after 2 years from unitholder approval (total ~74%)
- Sterlite Power intends to transfer 15% to KKR – a Co-Sponsor (subject to unit holder and regulatory approvals)

Note:

1. IPA = Initial Portfolio Assets (including Bhopal Dhule Transmission Company Limited, Jabalpur Transmission Company Limited)
2. MRP = Maheshwaram Transmission Limited, RAPP Transmission Company Limited, Purulia & Kharagpur Transmission Company Limited
3. PTCL = Patran Transmission Company Limited
4. N+O = NRSS XXIX Transmission Limited, Odisha Generation Phase Transmission Limited
5. FA = Framework Agreement Assets (including Gurgaon-Palwal Transmission Limited, Khargone Transmission Limited and NER-II Transmission Limited,)

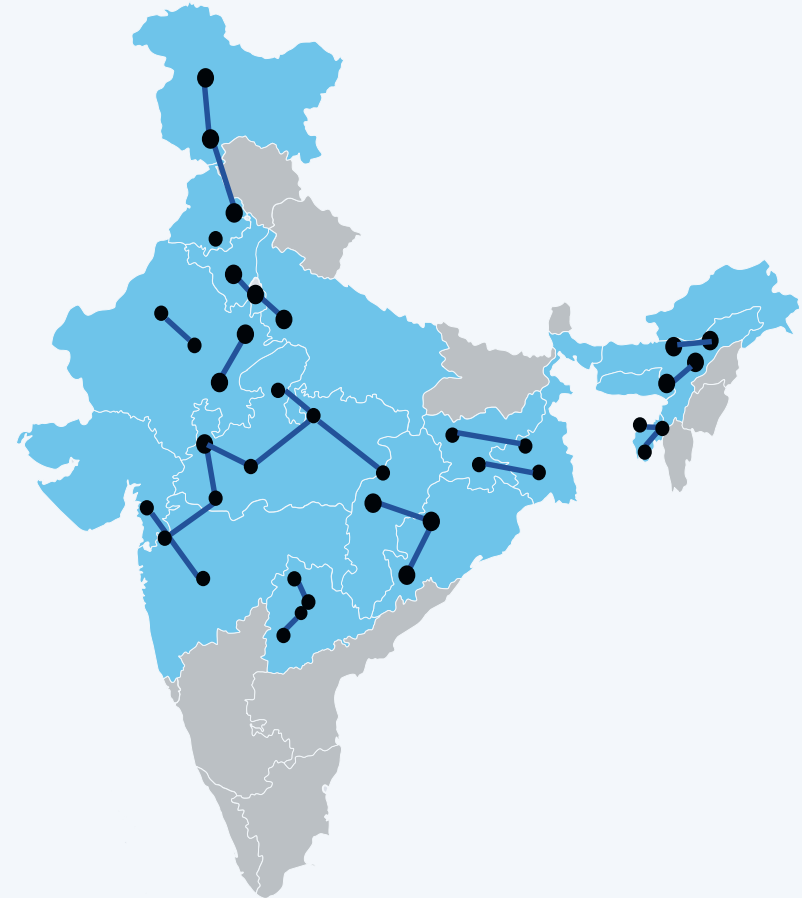
Significant Portfolio Expansion

Pre Transaction



- **13 lines – 3,361 ckm**
- **3 sub-stations – 7,000 MVA**
- **9 States**

Post Transaction¹



- **32 lines – 6,600 ckm**
- **10 sub-stations – 14,995 MVA**
- **16 States**

Note:

1. Includes Portfolio Assets, NTL, OGPTL and Framework Agreement Assets

Key Operational and Financial Parameters

Pre Transaction

6

No of Assets

INR 52 bn

AUM

47%

Net Debt / AUM

Post Transaction¹

11

No of Assets

INR 170 bn

AUM

~67%

Net Debt / AUM

AAA
Credit Rating

Availability-linked
Payment mechanism

35 years
Term of TSA²

50 years
Useful life

>99%
Availability

Inter-State Pool³
Counter-Party

Note:

1. Includes Portfolio Assets, NTL, OGPTL and Framework Agreement Assets
2. TSA: Transmission Service Agreement
3. ISTS pool under PoC mechanism managed by the CTU - Power Grid Corporation of India Limited (AAA rated)

Transaction Process

Approval from Board of Investment Manager for:

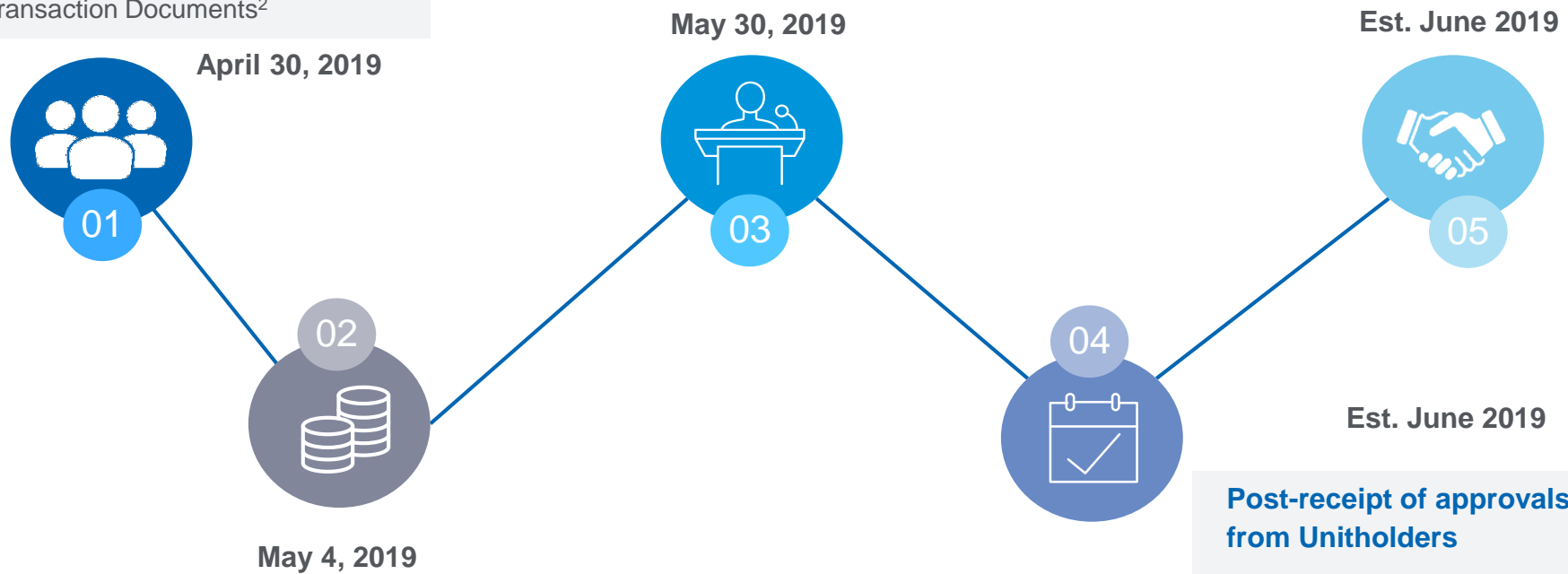
- Preferential allotment
- Acquisition of NTL and OGPTL¹
- Change in control of IM
- Addition of KKR as Sponsor
- Amendment of ROFO agreement
- Transaction Documents²

Seeking approval Unit Holders

- Acquisition of NTL and OGPTL
- Change in control of IM
- Addition of KKR as Sponsor
- Amendment of ROFO agreement

Addition of Sponsor

- KKR inducted as Sponsor on SEBI approval



Closing of Preferential Issue

- Allotment of units worth INR 25.6 bn at issue price **83.89**

Post-receipt of approvals from Unitholders

- KKR to acquire controlling stake in the IM post approval from SEBI
- NTL and OGPTL transferred to IndiGrid

Note:
 1. NTL = NRSS XXIX Transmission Limited, OGPTL = Odisha Generation Phase Transmission Limited
 2. Framework Agreement, Inter-se Sponsor Agreement, Share Purchase Agreement & Shareholder Agreement for Investment Manager, etc.

Key Decisions at the EGM

Item No 1: To approve the proposed acquisition of power transmission assets from Sponsor

- Acquisition of 100% stake in NTL and OGPTL as per ROFO deed signed on May 5, 2017
- Total Enterprise Value (EV) of INR 50,390 mn subject to adjustments

Item No 2: To approve the induction of Esoteric II Pte. Ltd. (Esoteric) as a Sponsor of IndiGrid along with Sterlite Power Grid Ventures Limited (SPGVL)

- Induct Esoteric (affiliate of KKR), as the Sponsor, along with SPGVL, subject to compliance with applicable law, including the SEBI InvIT Regulations
- Amend the Trust Deed dated October 21, 2016
- Execute the inter-se sponsor agreement between SPGVL and Esoteric for the inter-se rights and obligations

Item No 3: To approve the acquisition of the issued, subscribed, and paid-up capital of the Investment Manager by Electron IM Pte. Ltd. and the consequent change of control

- Electron IM to acquire stake in Investment Manager in 3 tranches (a) ~20% at the time of preferential allotment; (b) ~40% based on regulator and unitholder approval (total ~60%); (c) ~14% after 2 years from unitholder approval (total ~74%)

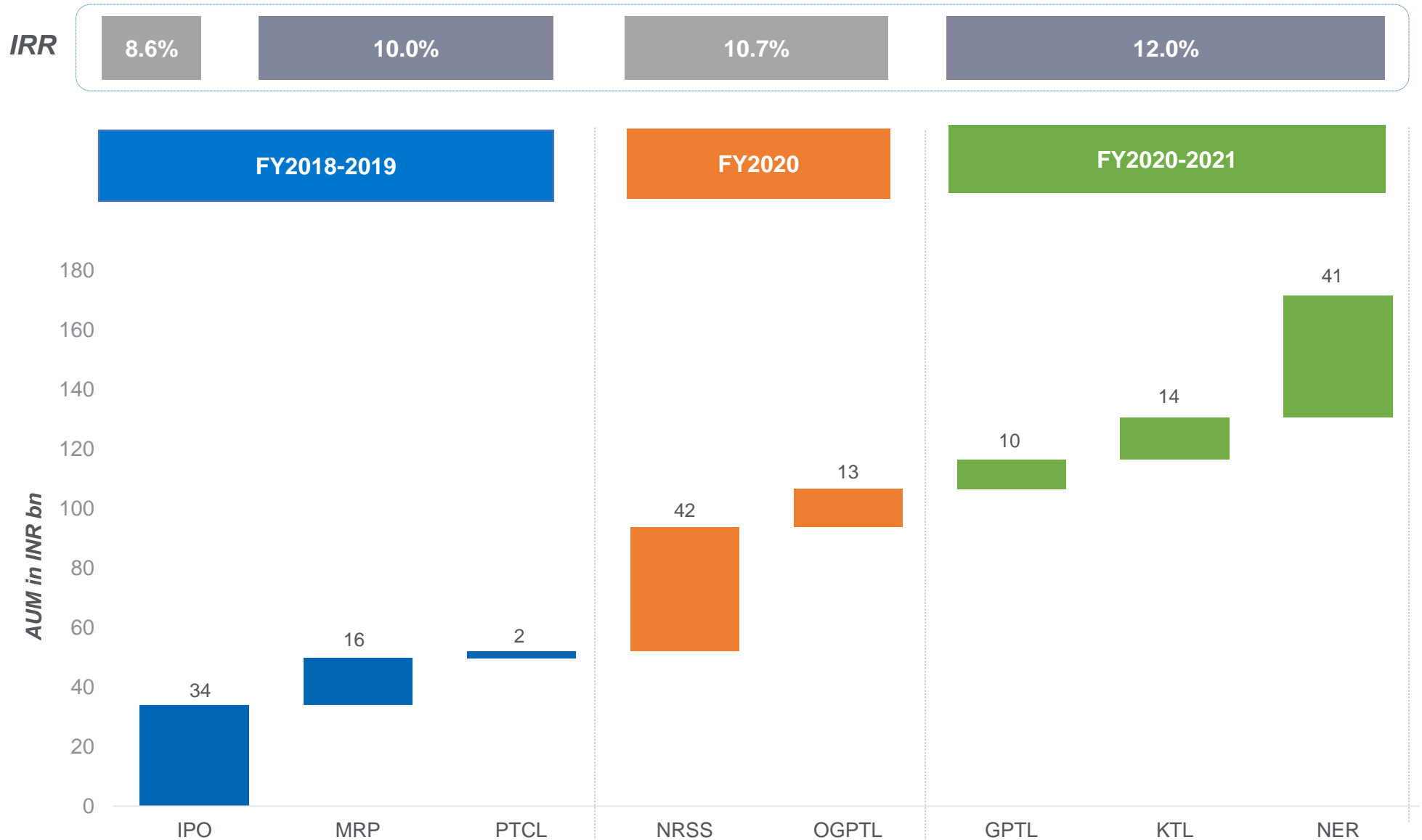
Item No 4: To approve the amendment of the ROFO deed

- To amend the ROFO Deed dated May 5, 2017 for the following:
 - Remove Framework Agreement Assets - GPTL, KTL and NER¹
 - Invitation to Offer in relation to ENICL² shall be provided within 18 months from the date of listing of the amendment to the ROFO Deed

Note:

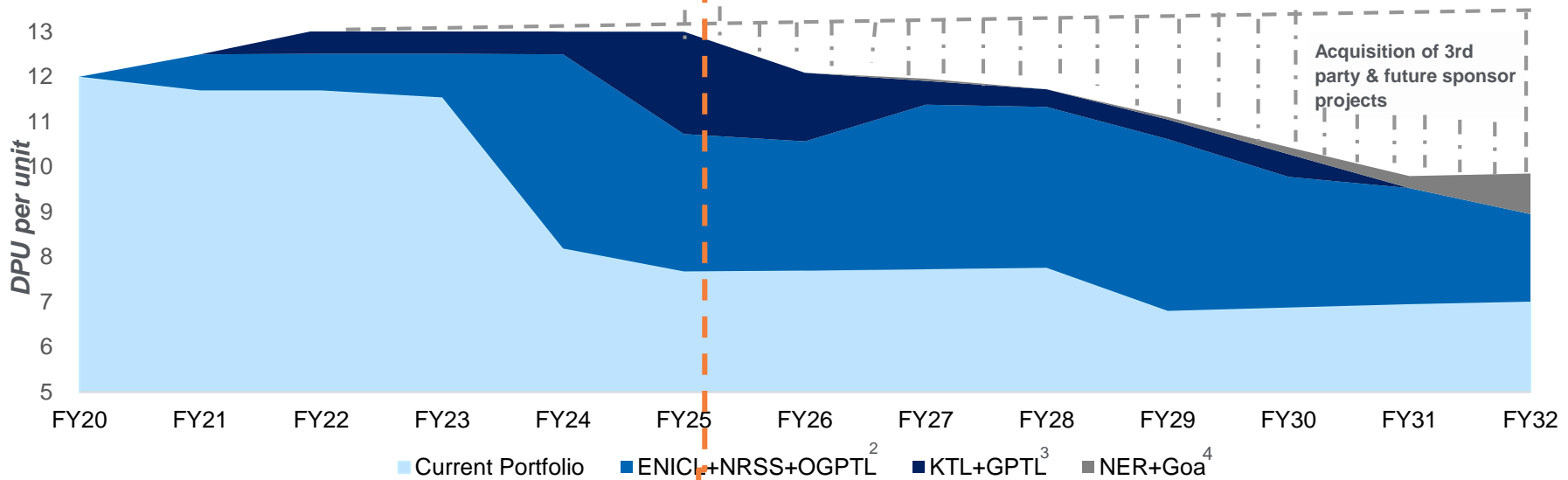
1. GPTL = Gurgaon-Palwal Transmission Limited, KTL = Khargone Transmission Limited, NER = NER-II Transmission Limited
2. ENICL = East-North Interconnection Company Limited

Return Profile Calculated at INR 100 per unit

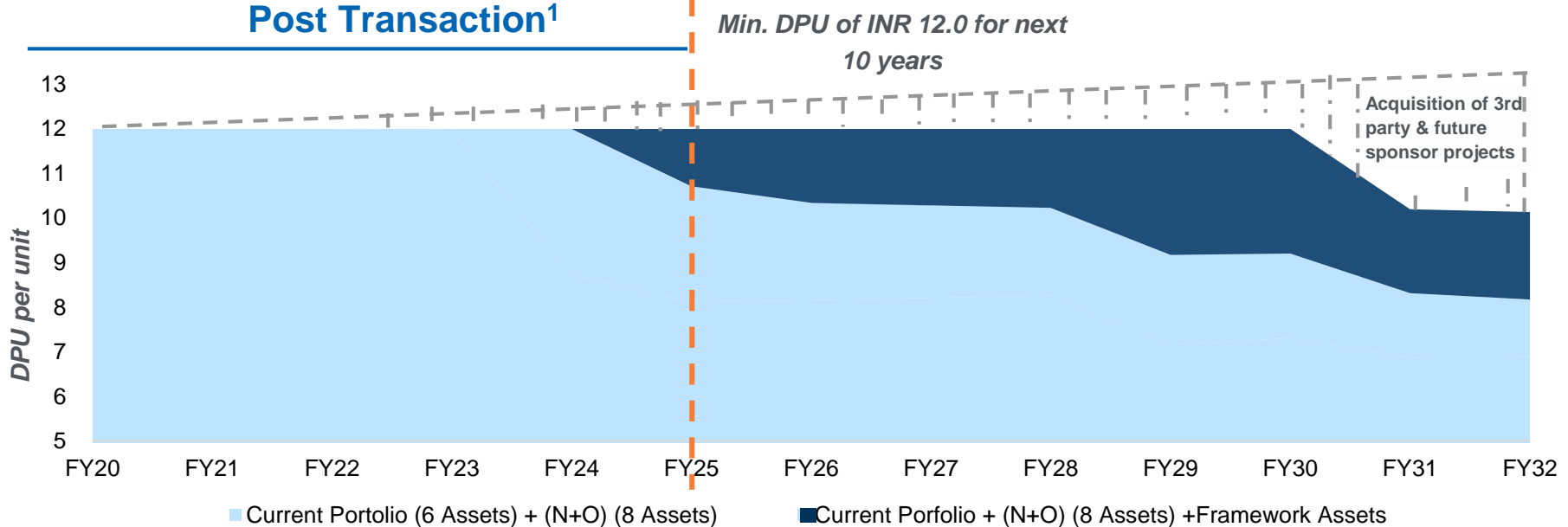


Sustainable DPU Visibility

Pre Transaction



Post Transaction¹



Note:
 1. Includes Portfolio Assets, NTL, OGPTL and Framework Agreement Assets; 2. Includes East-North Interconnection Project, NRSS XXIX Transmission Limited and Odisha Generation Phase Transmission Limited; 3. Includes Gurgaon-Palwal Transmission Limited and Khargone Transmission Limited; 4. Includes NER-II Transmission Limited and Goa Tanmar Transmission Project Ltd.

Anchor Investor – KKR¹



Leading Global Investment Firm

- KKR is a leading global investment firm with over 43 years of experience and a strong track record of performance
 - ~US\$200bn of AUM¹
 - Offices in 21 cities in 16 countries across 4 continents
 - Total 447 investment professionals
 - Manages multiple asset classes including private equity (“PE”), credit, real estate, energy, and infrastructure, with strategic partners that manage hedge funds
- Infrastructure is a core focus for KKR with ~30 investments and ~US\$12.6bn of assets under management
- In 2018, established the Asia Pacific Infrastructure team to address the significant and growing infrastructure investment needs across the region

KKR in India

Favorable Long-Term Outlook

- India offers a positive long-term economic outlook given its favourable demographic trends, stable macro-economic indicators and ongoing structural reforms

One of KKR's Core Markets

- Invested US\$ 2.6 bn in PE deals in India since 2010 across 13 investments - 8 active portfolio companies today
- Extended over US\$ 5 bn of financing to Indian companies

Attractive Infrastructure Investment Destination

- Believes India's infrastructure need over the next 25 years will remain significant
- Demand for infrastructure coincides with an increasingly robust and liberalised regulatory regime, positioning India as a prime investment destination

KKR Asia Pacific Infrastructure Strategy

Play to KKR's Competitive Advantage

- Extensive Asia Pacific platform that has delivered strong and consistent investment performance
- Leading global Infrastructure platform with deep expertise and a strong track record across several geographies and subsectors
- Access to a dedicated team of professionals focused on value-creation and operational enhancements

Differentiated Investment Approach

- Track record of leveraging deep local relationships to generate proprietary deal flow
- 60% of Asia Pacific investments to date have been proprietary
- Strong alignment of interest with our investors

Capital Protection with Participation in Growth

- Strategy targets existing enterprises and corporate build-up strategy
- Brownfield and platform investments
- Contracted / regulated assets and well-positioned growth-oriented assets
- Yielding assets and reinvesting for growth
- Modest leverage profiles

Note:

1. KKR refers to Kohlberg Kravis Roberts & Co LP together with its affiliates

2. As of 31st March 2019

Sponsor - Sterlite Power

The Sponsor develops transmission assets under the BOOM (Build Own Operate Maintain) in India and BOOT (Build Own Operate Transfer) model in Brazil and has established a strong track record in both the countries

Global infrastructure player with a strong parentage



- Part of Vedanta Group, a globally diversified natural resources conglomerate with revenues of c.\$13.5bn+ with presence across minerals, oil & gas sectors
- Group employs over 65,000 people across India, Africa, Ireland and Australia

Unique platform with a well integrated strategy

- Infrastructure Business (Dev Co) Develops power transmission infrastructure (grid) on long term 'BOOM' and 'BOOT' model in India and Brazil respectively
- Transfers operational assets to IndiGrid (Op Co) to redeploy capital for growth; agreed roadmap to acquire Sterlite's power projects
- Solutions Business upgrade and uprates legacy transmission networks (50% market share in Indian intra-state reconductoring/ upgrade segment)
- Manufactures power cables, conductors and OPGW

Business at a glance¹

17² Power transmission projects	INR 29 bn³ Aggregate annual tariff	4 Operational assets ⁴
40 Substations/ Bay extensions	~17,110 MVA Transformation capacity	~50 Extra High Voltage (EHV) lines
9,063 ckms Power transmission lines	99.8% Availability ⁵	31.5%⁶ Market share

Awards and accolades



Notes:

- 1 Data points for India as well as Brazil business for the Sponsor (does not include assets sold to IndiGrid);
- 2 Won under PPP (7 in India under TBCB with 3 commissioned and 4 under development; 10 in Brazil with 1 commissioned and 9 under development); Of these, SPAs for NRSS and OGPTL have been executed and will be acquired by IndiGrid subject to approvals. GPTL, KTL and NER are part of the framework agreement
- 3 Aggregate annual tariff of Sponsor assets including India (7 assets) and Brazil (10 assets)
- 4 2,573 ckms of transmission lines and 2 substation
- 5 Achieved across our commissioned assets for 2017-18
- 6 By tariff of all inter-state projects awarded under TBCB in India

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