



## INVESTOR PRESENTATION Q2 FY21 RESULTS



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# INVESTOR PRESENTATION Q2 FY21

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**OUR VISION AND  
JOURNEY...**



## OUR VISION

*To become the most admired yield vehicle in Asia*

### Focused Business Model

- Long term contracts
- Low operating risks
- Stable cash flows

### Value Accretive Growth

- DPU accretive acquisitions Y-o-Y
- Creating growth pipeline for future

### Predictable Distribution

- Quarterly distribution
- Minimum 90% of Net cash flow distributed
- Sustainable distributions

### Optimal Capital Structure

- Cap on leverage at 70%
- AAA rating; prudent liability management
- Well capitalized

# IndiGrid – India’s Only Power Transmission Yield Platform

**INR 139  
Bn\* AUM**

**28 LINES  
~6,280 CKMS**

**AAA RATED  
PERPETUAL OWNERSHIP**

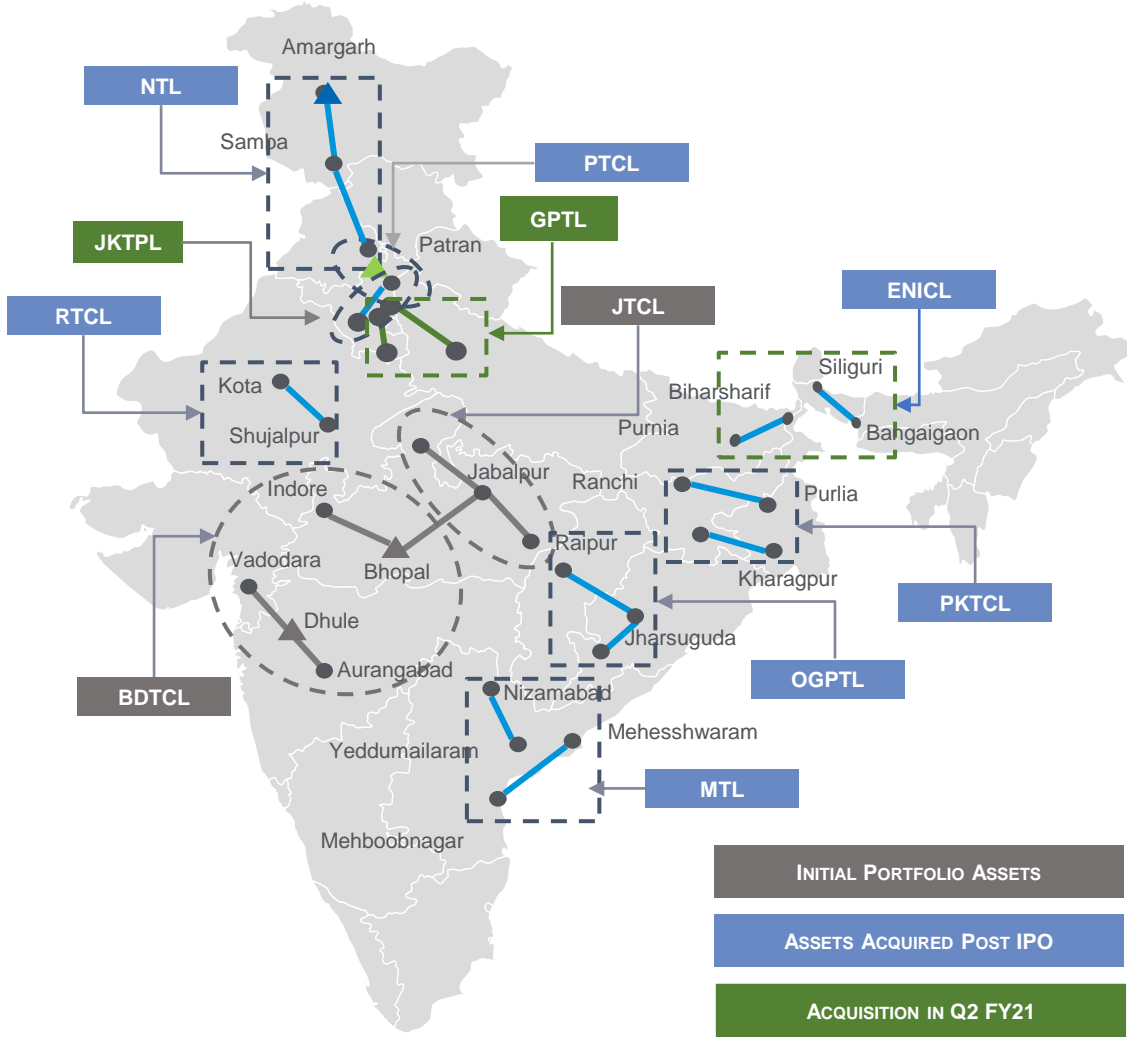
**~9790  
TOWERS**

**14 STATES & 1 UT  
ACROSS INDIA**

**9 SUBSTATIONS  
~11,460 MVA**

**~32 YEARS  
RESIDUAL CONTRACT**

**~3,70,820 MT  
STEEL AND ALUMINUM**



*\*based on independent valuation report of owned assets as of Sep 30,2020  
#Remaining TSA contractual life of 32 years, projects are on BOOM model with perpetual ownership of IndiGrid  
ENICL has a TSA term of 25 years from the Licence Date*

**KEY HIGHLIGHTS  
Q2FY21**



# Q2 FY21 – Key Highlights

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## Robust Financials

- Q2 FY21 EBITDA grew 14% YoY\* on back of steady availability and acquisitions
- Consistent distribution payout at INR 3.00 per unit in Q1 and Q2 despite COVID-19 related uncertainties
- Net Debt/AUM at 54% as of Sep 30<sup>th</sup>; significantly below the 70% cap as per SEBI InvIT regulations
- AAA Ratings by Crisil, ICRA, India Ratings

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## Portfolio Growth

- Completed acquisition of Gurgaon Palwal Transmission Limited (“GPTL”) for up to INR 10.8 Bn
- Completed acquisition of Jhajjar KT Transco Private Limited (“JKTPL”) for ~INR 3.10 Bn
- AUM increased to over INR 139 Bn post these acquisitions

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## Sponsor Induction

- KKR inducted as a sponsor through a special majority (75%) by unitholders in the AGM
- ~ 60% owned by FIIs including KKR and GIC
- > 20% owned by DIIs including 8 insurance companies, 4 mutual funds and 3 Employee Pension Fund

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## COVID-19 Updates

- Collection on track post lockdown, Q2 collection at 113% with DSO at 83 days
- Average availability maintained at 99.5% in Q2 FY21
- No material impact of power demand slowdown on revenue by ensuring steady availability

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## Regulatory Evolution

- Induction of new sponsor allowed; to enable investors to own >25% stake
- Introduced Norms For De-Classifying Sponsors, to enable existing Sponsor who has no rights/role in the InvIT to exit post the 3-year lock-in period
- SEBI granted certain relaxations for raising of equity capital for InvITs

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\* Excludes one-time revenue accrual in Q2 FY20 related to period prior to acquisition



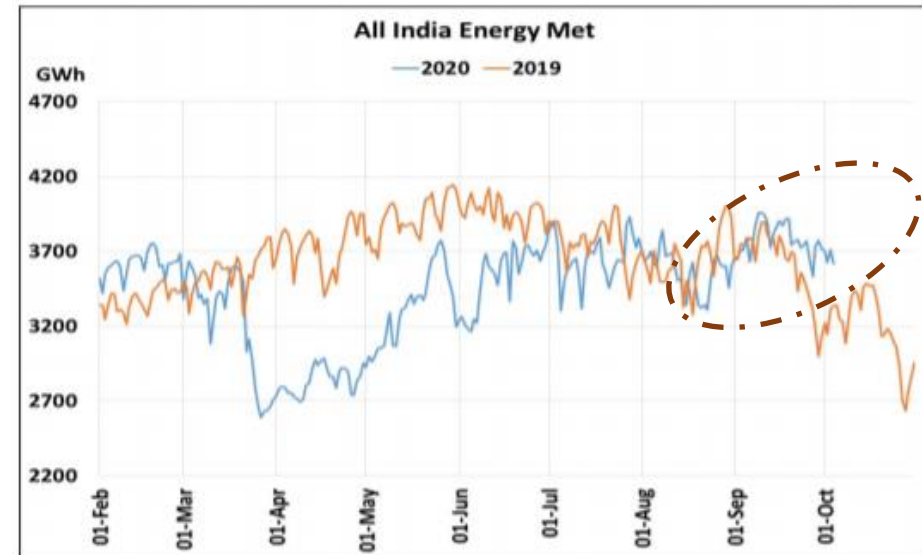
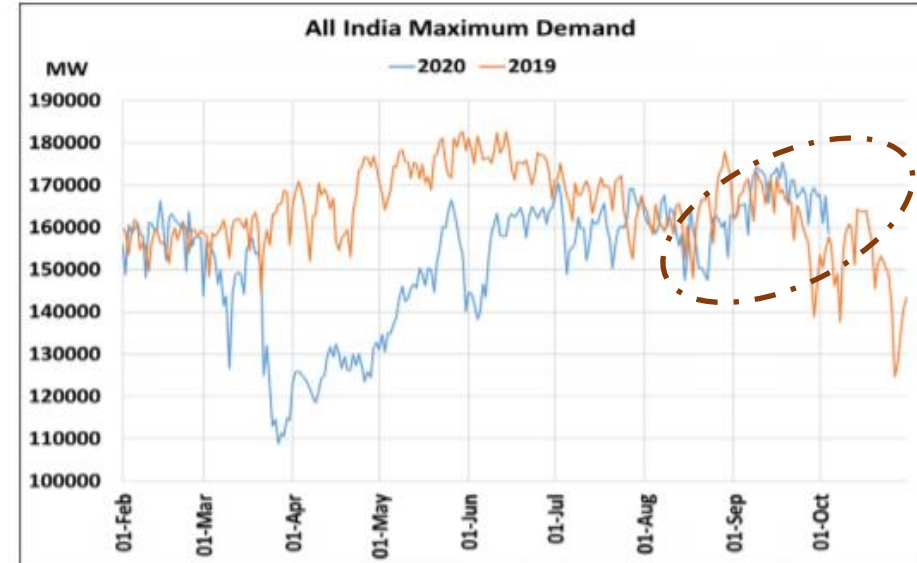
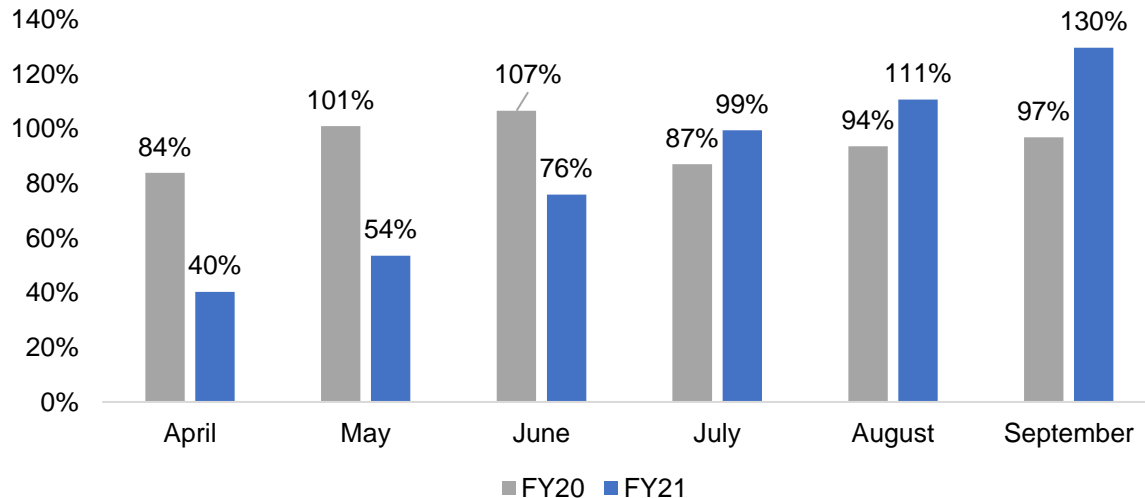
# COVID-19 Impact

- Transmission tariffs are not linked to power flow and only based on availability of transmission elements
- Power demand rebounded; September-20 exit encouraging at over 6% YoY demand growth
- Double digit power demand growth registered in October

## Impact on Collections:

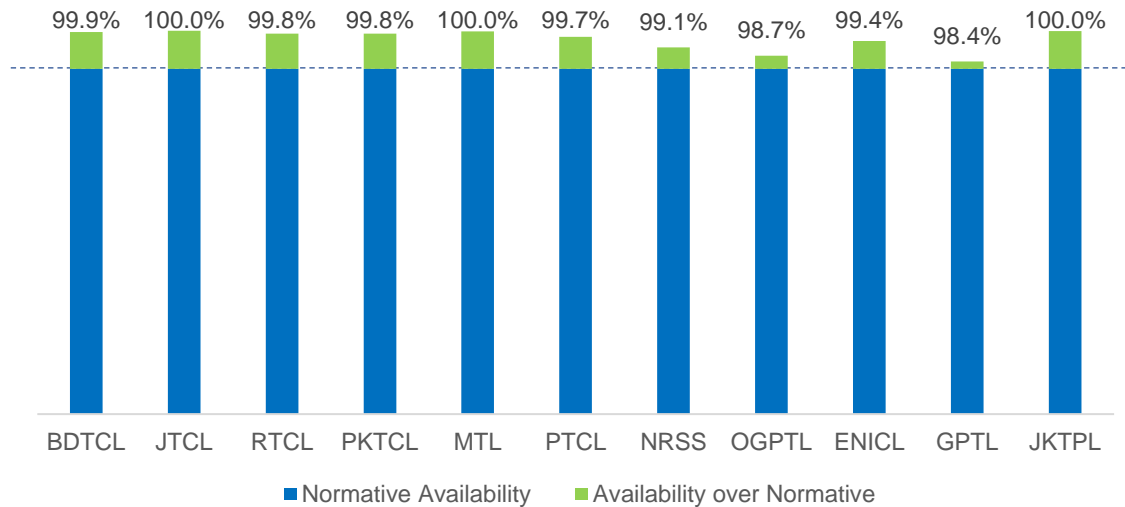
- Collections bounced back to 113% in Q2 vs avg. collection of 60% in Q1 FY21
- DSO days at 83 as of Sep-20 vs avg. DSO of 101 days in Q1 FY21

**Collection Efficiency %**



# Operational Highlights – Q2 FY21

Q2 FY21 Availability\*



\*Q2 FY'21 availability certificates awaited

Note: Availability nos. <99.75% in Q2 only due to planned shutdowns for increased reliability

Key Indicators	Q2 FY21	Q2 FY20
Avg. Portfolio availability (%)	99.51%	99.06%
No. of Trips / Line	0.27	0.46
Safe Man Work Hours	84.08%	100%
Fatality	1	0
Training Man-hours	8198	6160
Unsafe conditions**	420	236
Loss Time Incident reporting (Excluding Fatality)	0	0
Near Miss reporting	15	36
Solar Generation (kWh)	9497	7893

\*\* Not comparable due to change in methodology

- 100% of our contractors have received relevant health & safety training designed for their scope of work
- Behavior based safety enabled proactive closure of unsafe and near miss conditions
- We continued to focus on aligning our practices with international standards.
- 8,198 Man hours of training across employees and partners
- Lower safe man working hours due to a fatal contractor accident - a very rare occupational hazard of bee swarming. Bee Swarming as a biological hazard was not anticipated although insect / bee sting / snake bite are well identified. Preventive measures implemented.
- Especially with COVID-19, additional mitigation and business continuity measures in place
  - 3 COVID-19 incidents amongst ~ 600 people incl. partners. All have fully recovered.
  - COVID-19 test is mandatory prior to joining work site
  - Ensure 100% compliance with Statutory Guidelines (Curfew, Social Distancing, Essential Service Permits)
  - Quarantine Facility at Sub Stations for shift operations
  - Awareness sessions with all AMC partners and session at SPV level on COVID-19
  - Guidelines prepared for post lockdown situation

# Financial Highlights – Q2 FY21

Consolidated Financials			
INR- million	Q2 FY21	Q2 FY20*	FY20
Revenue	3,848	3,284	12,427
EBITDA	3,462	3,031	11,504
DPU (INR per unit)	3.00	3.00	12.00

➤ Revenue for Q2 FY21 up 17% YoY\* on back of acquisitions

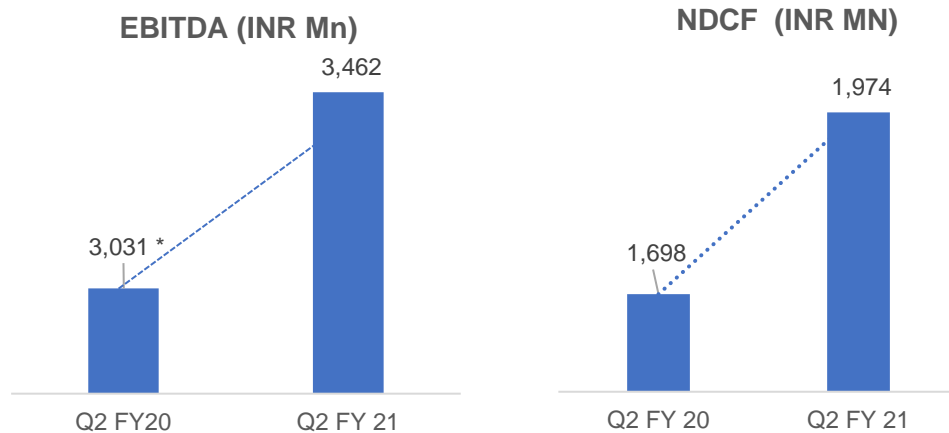
➤ EBITDA for Q2 FY21 up 14% YoY\* supported by steady availability

➤ INR 1,750 million (INR 3.00/unit) distribution in Q2 FY21; 14th quarter of consecutive distribution

➤ INR 39.56/unit amounting to ~INR 16.61 billion distributed to investors since listing

➤ DSO days at 83 days vs 101 days QoQ

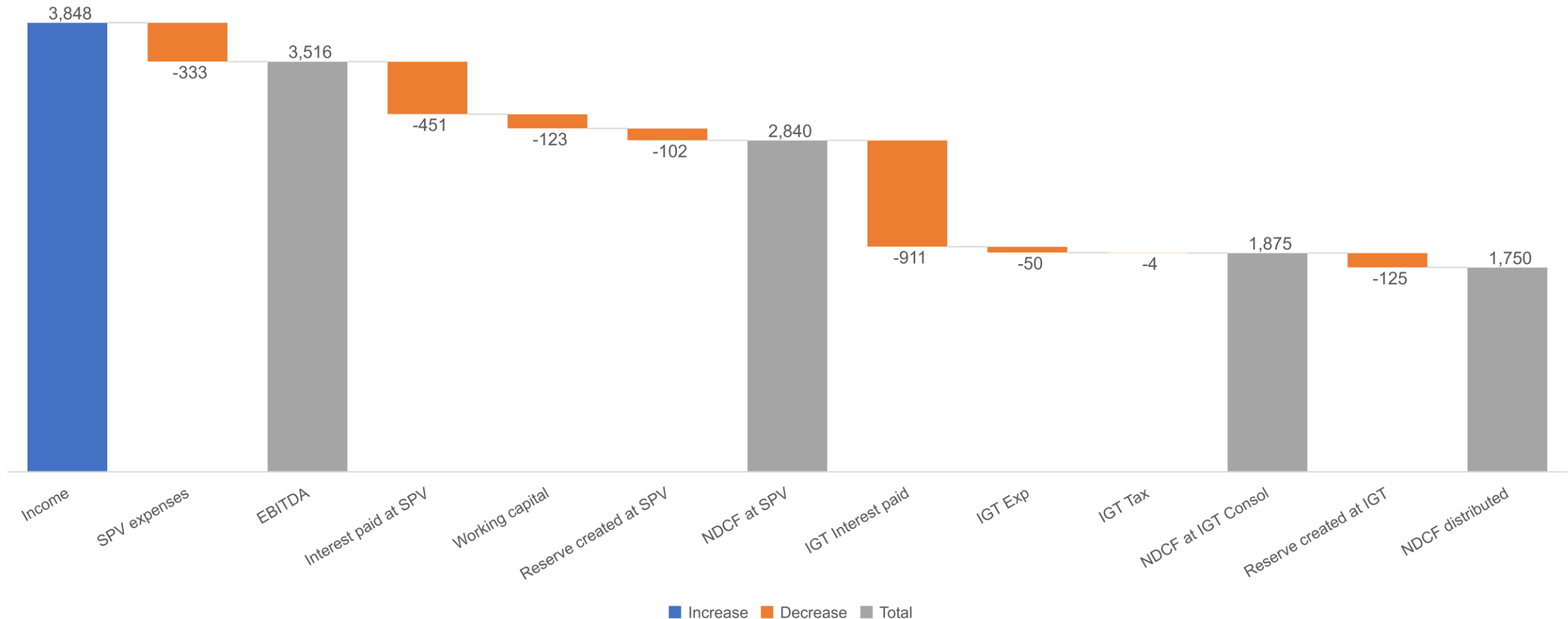
➤ Collection efficiency for the quarter is 113% vs 60% QoQ



\* Excludes one-time revenue accrual related to period prior to acquisition

# Consolidated EBITDA to NDCF Waterfall – Q2 FY21

(In INR Mn)



Note: Factoring has been fully repaid as of 30<sup>th</sup> October 2020

# Financial Highlights – A Robust Balance Sheet

**AAA**  
Rating by Crisil, ICRA,  
India Ratings

**8.5%**  
Average Cost of  
Debt

**100%**  
Fixed Rate Borrowing

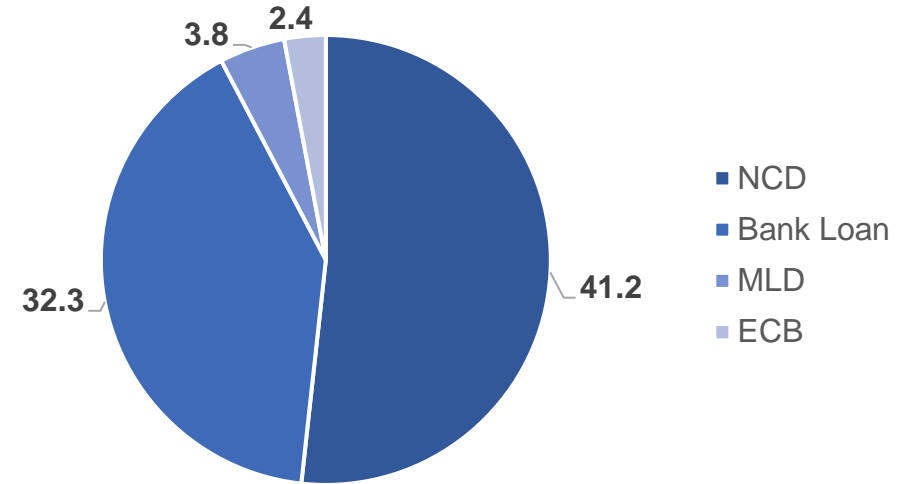
**~54%**  
Net Debt/ AUM

**INR 6,970\***  
Mn Cash Balance

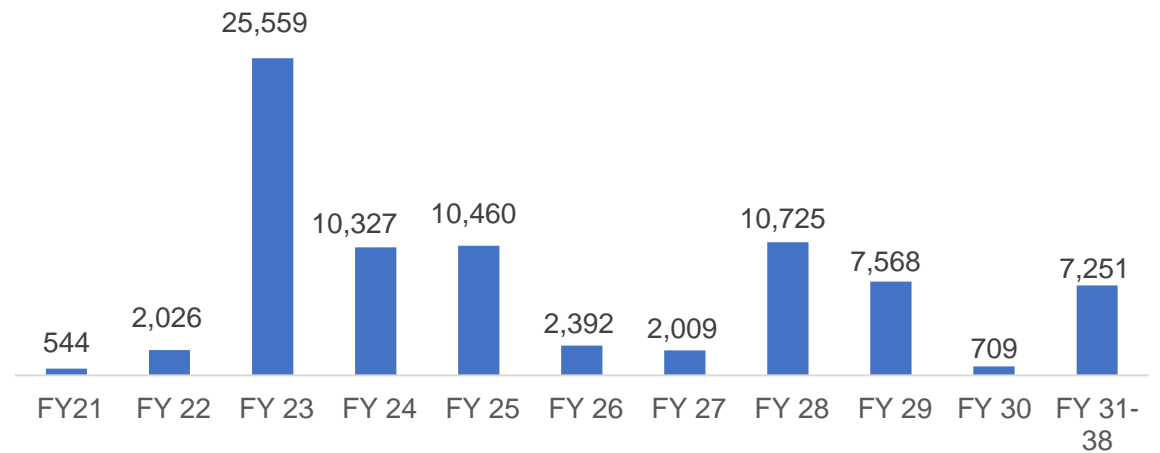
**>2.3x**  
EBITDA / Interest

\* Includes INR 1750 Mn held for distribution  
\* Includes DSRA worth INR 1800 Mn

Sources of Gross Borrowings (INR 79.7 BN)

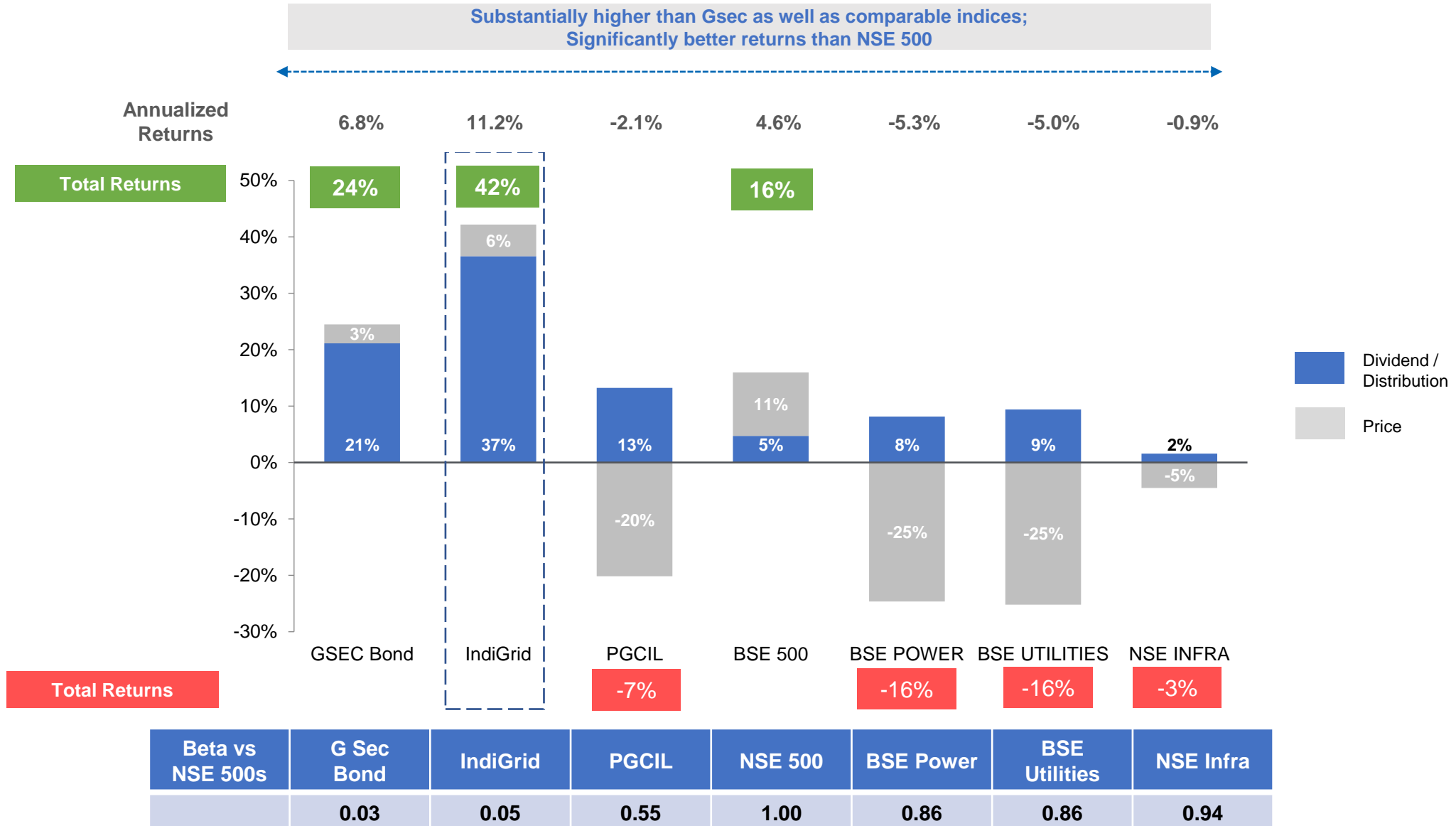


Repayment / Refinancing Schedule\* (INR Mn)



\*Chart is not drawn to scale

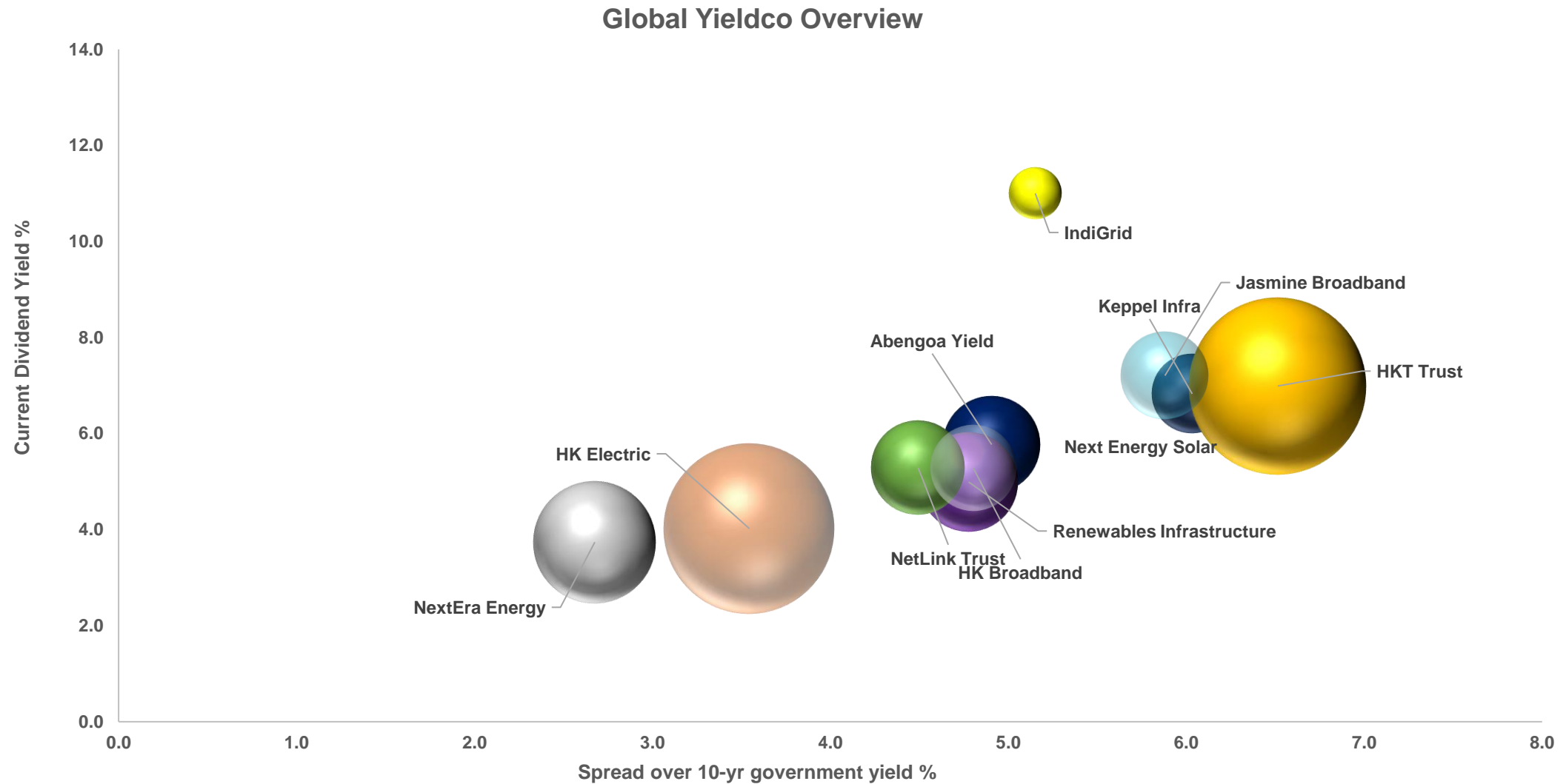
# Low Volatility – Superior Returns



Source: Bloomberg

Note: Total Return chart is since listing of IndiGrid till Sep 30, 2020

# Overview of Yield Platforms Across Geographies (1/2)



Note: Size of the bubble indicates Market Cap (USD Bn)  
 Source: Bloomberg, Company source  
 Data as on October 27, 2020

# Overview of Yield Platforms Across Geographies (2/2)

Country	Company Name	Sector	Market Cap (USD bn)	Free float	Current Div. Yield %	Indicated Yield	10 yr local yield %	Spread %
United States	<b>Abengoa Yield</b>	RE, electric transmission, natural gas	2.9	55.7%	5.7	5.8	0.754	4.9
	<b>NextEra Energy</b>	Wind, Solar, Natural Gas	4.7	99.5%	3.4	3.7		2.7
United Kingdom	<b>Renewables Infrastructure</b>	Wind, Solar	3.0	Closed Ended	5.0	5.0	0.213	4.8
	<b>Next Energy Solar</b>	Solar	0.8	Closed Ended	6.5	6.5		6.2
Singapore	<b>Keppel Infra</b>	Energy, distribution & network, waste and water	2.0	71.1%	6.8	6.8	0.796	6.0
	<b>NetLink Trust</b>	Passive fibre network	2.7	75.1%	5.3	5.3		4.5
Hong Kong	<b>HK Electric</b>	Power Utility	9.1	25.6%	4.0	4.0	0.476	3.5
	<b>HK Broadband</b>	Residential broadband	2.3	70.6%	5.3	5.3		4.8
	<b>HKT Trust</b>	Telecom services	9.9	45.0%	7.0	7.0		6.5
Thailand	<b>Jasmine Broadband</b>	Telecom Infrastructure	2.4	75.2%	7.2	7.2	1.330	5.8
<b>India</b>	<b>IndiGrid</b>	<b>Power Transmission</b>	<b>0.9</b>	<b>52.0%</b>	<b>11.0</b>	<b>11.0</b>	<b>5.848</b>	<b>5.2</b>



**LOOKING AHEAD**



# Outlook FY21

## Portfolio Growth

- Focus on diligence and monitoring of framework assets –KTL and NER
- Evaluate selective opportunities in solar sector with central counter parties
- Create pipeline of transmission projects besides the existing pipeline of projects

## Maintaining Balance Sheet Strength

- Focus on maintaining adequate liquidity to mitigate current uncertainties and any unpredictable scenario
- Maintain sufficient cash balance and working capital lines
- Aim to diversify debt sources and elongate tenures in incremental facilities and reducing cost of debt

## Robust Asset Management

- Focus on maintaining > 99.5% availability across portfolio
- Investments in technology with respect to digital asset managements, predictive analytics and emergency preparedness
- Increasing focus on ESG and ESMS initiatives
- Ensuring world class EHS and O&M practices across the portfolio

## Industry Stewardship

- Focus on increasing awareness about IndiGrid and InvITs
- Policy initiatives like enabling IRDAI & PFRDA to subscribe debt securities issued by InvITs
- Engage with regulators to reduce trading lot size to single unit at par with equity

**Superior**  
Total Returns

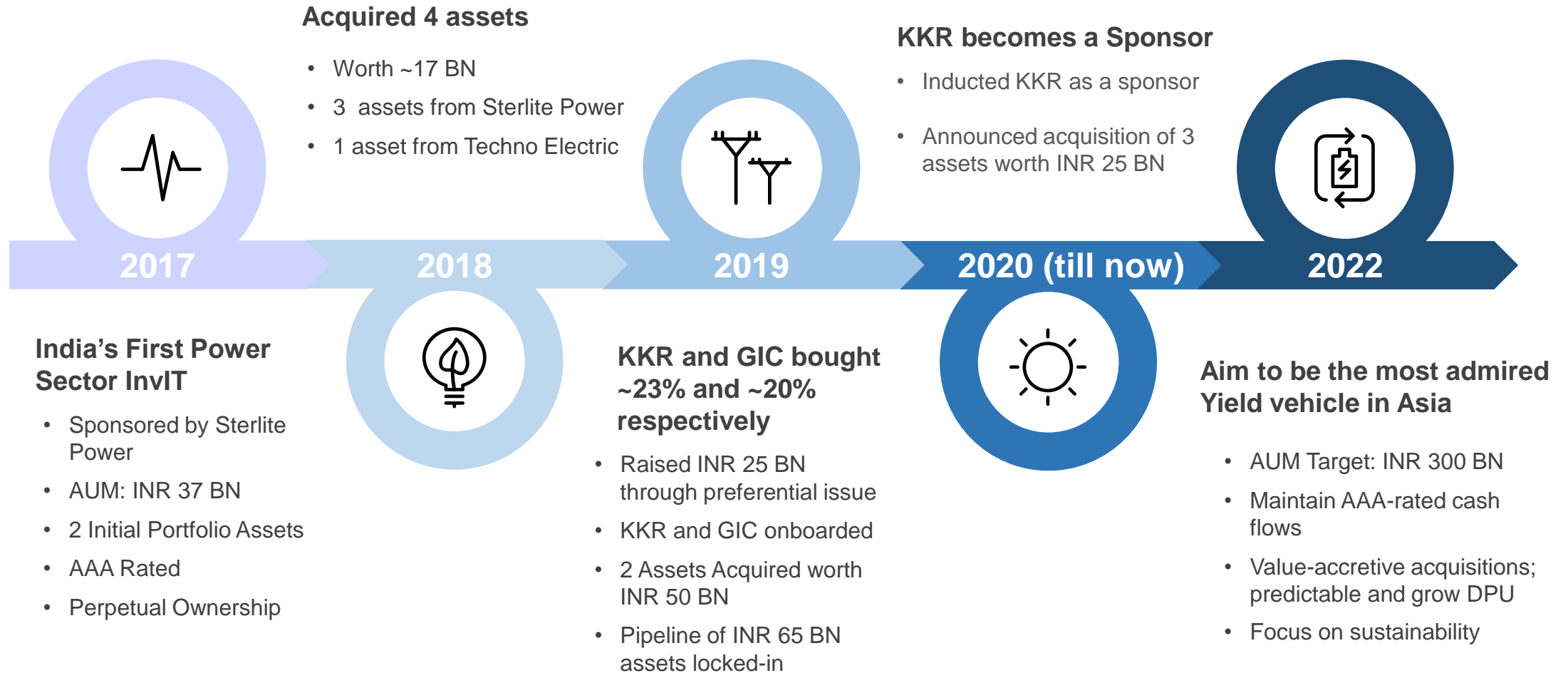
**Stable**  
DPU

**Growth in**  
NDCF

# INDIGRID OVERVIEW



# Journey Till Now...



# IndiGrid – Portfolio

High voltage Inter-state assets (except one), all with Central counterparty - PGCIL

Availability based monthly tariff – No linkage to power flow and reset of tariff

Well diversified - 37 revenue generating elements in 14 states & 1 UT

Build Own Operate and Maintain (BOOM)^ – No Transfer

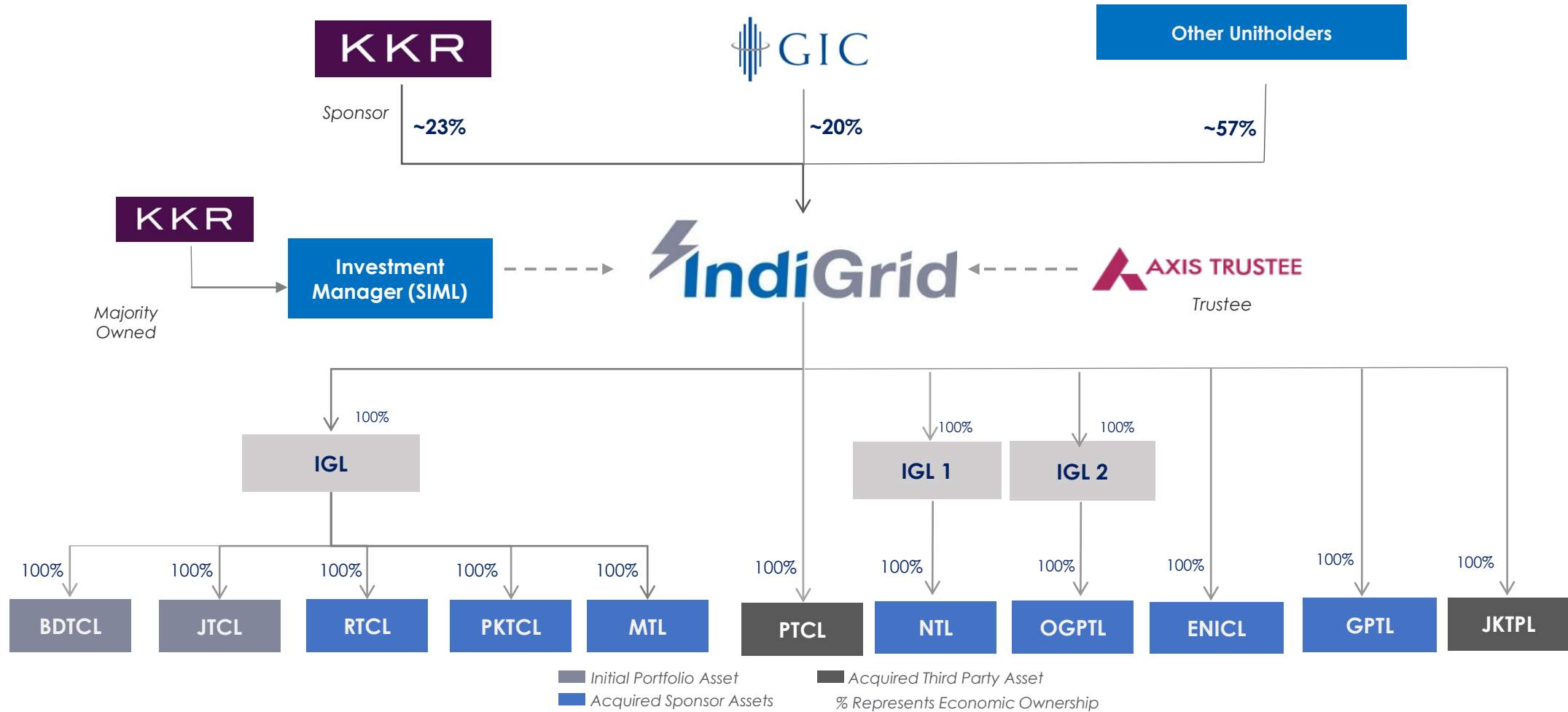
Credible track record of maximizing availability and incentives

Assets	States	Specifications	CoD	Availability Since CoD till Sep'20	AUM in INR Bn	Metal Quantity ('000 Metric Ton)
BDTCL	Madhya Pradesh, Maharashtra, Gujarat	6 Lines – 945 ckms 2 Sub Stations – 6,000 MVA	Jun-2015	99.74%	19.1	Steel – 50.1; Al – 22.3
JTCL	Madhya Pradesh, Chhattisgarh	2 Lines – 995 ckms	Sep-2015	99.57%	15.1	Steel – 63.9; Al – 21.8
RTCL	Madhya Pradesh, Rajasthan	1 Line – 405 ckms	Mar-2016	99.81%	4.2	Steel – 6.8; Al – 3.5
PKTCL	West Bengal, Jharkhand	2 Lines – 545 ckms	Jan-2017	99.92%	6.7	Steel – 10.7; Al – 4.8
MTL	Telangana	2 Lines – 475 ckms	Dec-2017	99.88%	5.8	Steel – 9.5; Al – 4.2
PTCL	Punjab	1 Sub Station – 1000 MVA	Nov-2016	99.86%	2.5	NA
NRSS	Punjab, Jammu & Kashmir	3 Lines – 830 ckms 1 Sub Station – 630 MVA	Sep-2018	99.66%	45.4	Steel – 28.4; Al – 7.3
OGPTL	Odisha, Chhattisgarh	2 Lines – 710 ckms	Apr-2019	99.84%	14.6	Steel – 44.2; Al – 14.3
ENICL	Assam, Bihar, West Bengal	2 Lines – 895 ckms	Nov-2014	99.55%	11.4	Steel – 38.8; Al – 15.6
GPTL*	Haryana, Rajasthan, Uttar Pradesh	5 lines – 275 ckms 3 Sub stations -3000 MVA	Apr-2020	98.88%	11.4	Steel – 8.6 , Al -3.0
JKTPL*	Haryana	3 lines – 205 ckms 2 substations – 830 MVA	Mar -2012	99.06%	2.9	Steel – 8.7 , Al -3.6
<b>11 SPVs</b>	<b>14 States, 1 UT</b>	<b>~6,280 ckms and 11,460 MVA</b>	<b>&gt; 3 years</b>	<b>&gt;99.61%</b>	<b>139.0</b>	<b>Steel 270,318 MT Aluminium 100,500 MT</b>

\*Acquired in FY21

^ Except JKTPL

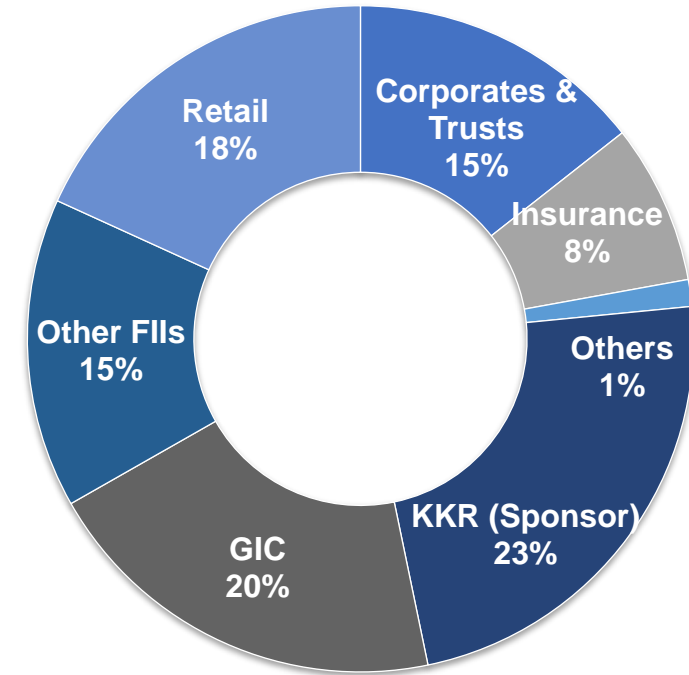
# IndiGrid – Corporate Structure



IGL= IndiGrid Limited,, IGL1 = IndiGrid 1 Limited , IGL2 = IndiGrid 2 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, ENICL = East-North Interconnection Company Limited , GPTL = Gurgaon Palwal Transmission Limited, JKTPL = Jhajjar KT Transco Private Limited

# IndiGrid – Robust Shareholder Base

- Supported by marquee long term investor base
- ~ 60% owned by FIIs including KKR and GIC
- ~25% owned by DIIs including insurance companies, mutual funds, pension fund and corporates
- Investors include 8 insurance companies, 4 mutual funds and 3 Employee Pension Fund
- Value and number of retail investors have more than doubled since listing in 2017
- Total number of investors over 6000, over 2x since listing



# IndiGrid – Experienced Board



**Tarun Kataria**  
Independent Director

- Over 30 years of rich experience, currently serving as Independent Non-Executive Director of Mapletree Logistics Trust Management
- 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



**Rahul Asthana**  
Independent Director

- Independent Director at Mahindra Vehicles Manufacturer Ltd, Mahindra Waste to Energy Solutions 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



**Ashok Sethi**  
Independent Director

- Over four decades of experience in power sector with significant knowledge in project execution, operations, commercial, regulatory, advocacy & policymaking
- Currently serves as Non-Executive Chairman of Tata Consulting Engineers Limited. Previously, served as the Chief Operating Officer and Executive Director of Tata Power
- B.Tech from IIT Kharagpur and Advance Management at Ashridge, UK



**Pratik Agarwal**  
Non-Executive Director

- Managing Director, Sterlite Power
- 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



**Sanjay Nayar**  
Non-Executive Director

- 34 years of experience and joined KKR in 2009 as a Member and CEO.
- Prior to joining KKR, he was CEO of Citigroup's Indian and South Asian operations and a member of Citigroup's Management Committee and Asia Executive Operating Committee.
- Bachelor's degree in Mechanical Engineering from Delhi University and is an MBA in Finance from the IIM Ahmedabad.



**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



AUM	Assets Under Management
Availability	Percentage amount of time for which the asset is available for power flow
BDTCL	Bhopal Dhule Transmission Company Limited
CERC	Central Energy Regulatory Commission
DPU	Cash paid to the Unitholders in the form of interest/ capital repayment / dividend
DSRA	Debt Service Reserve Account
ENICL	East North Interconnection Limited
GPTL	Gurgaon – Palwal Transmission Limited
GTTPL	Goa Tamnar Transmission Project Limited
IPA	BDTCL and JTCL which were acquired by IndiGrid at the time of IPO
ISRA	Interest Service Reserve Account
ISTS	Inter State Transmission System
KTL	Khargone Transmission Limited
JTCL	Jabalpur Transmission Company Limited
JKTPL	Jhajjar KT Transco Private Limited
MTL	Maheshwaram Transmission Limited
MVA	Mega Volt Ampere
NDCF	Net cash flow at trust's disposal for distribution to IndiGrid in a particular year in accordance with the formula defined in Offer Document
NER II	NER II Transmission Limited
NTL	NRSS XXIX Transmission Limited
OFTO	Offshore Transmission
OGPTL	Odisha Generation Phase Transmission Limited
O&M	Operations and Maintenance cost
RE	Renewable Energy
ROFO	Right Of First Offer
PKTCL	Purulia Kharagpur Transmission Company Limited
PTCL	Patran Transmission Company Limited
RTCL	RAPP Transmission Company Limited
SECI	Solar Energy Corporation of India
Tariff	Composed of Non-Escalable, Escalable and Incentive component. The incentive component is based on the availability of the asset = $2 * (\text{Annual Availability} - 98\%) * (\text{Escalable} + \text{Non-escalable})$ ; incentive is maximum 3.5% of (Escalable+Non-escalable tariff)
TBCB	Tariff Based Competitive Bidding
TSA	Transmission Service Agreement



 **IndiGrid**

**THANK YOU**

