



IndiGrid

**INVESTOR UPDATE
DECEMBER 2020**



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OVERVIEW & VISION



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 Overview – India’s Only Power Transmission Yield Platform

**INR 139
Bn* AUM**

**28 LINES
~6,280 CKMS**

**AAA RATED
PERPETUAL OWNERSHIP**

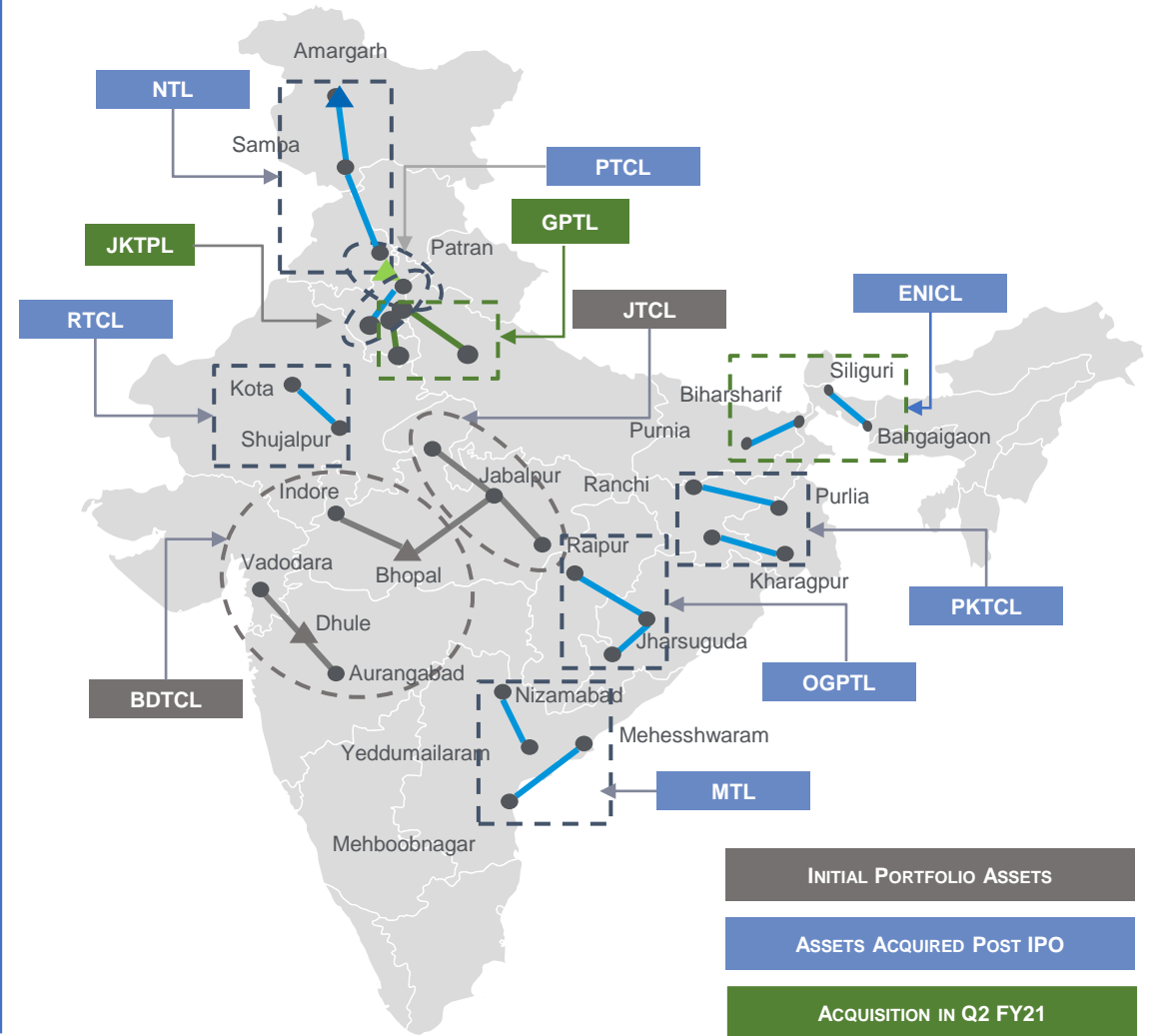
**~9790
TOWERS**

**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)

Note: 1) Signed SPA with Rel Infra to acquire Parbati Koldam Transmission Project in Nov 2020, Transaction subject to completion

2) Signed SPA with FRV Solar in Dec 2020 for acquisition of 100 MW (AC) solar power plants

M&A UPDATE



PKTCL: Signed Definitive Agreements for acquiring 74% stake

Parbati Koldam Transmission Company Limited (PKTCL)

Overview	<ul style="list-style-type: none"> • Project awarded on Build Own Operate ("BOO") basis by MOP • Section 62 Asset: Cost plus tariff project • Operational from November 2015 • 74:26 JV partnership with PGCIL
Description	<ul style="list-style-type: none"> • 2 tariff generating elements, spread across: <ul style="list-style-type: none"> ◦ P-K Line: ~102 ckms of 400 kV S/C from Parbati to Koldam ◦ K-L line: ~356 ckms of 400 kV D/C from Koldam to Ludhiana • Critical project for evacuation of power from hydro power projects of Parbati-II HEP and Koldam HEP to downstream transmission network in Punjab
Contract Mechanism	<ul style="list-style-type: none"> • BOO (35 years contractual life from COD as per tariff regulations)
Payment Mechanism	<ul style="list-style-type: none"> • Point of Connection (PoC), from CTU pooled account mechanism



Investment Highlights

Robust Operational Performance

- ❖ Annual Availability being more than 99.5% from inception
- ❖ Construction by Tier 1 Kalpataru, KEC, Tata and Bajaj Electricals.

Long Term Stable Cash Flows

- ❖ Tariff Determination by CERC for every 5 years
- ❖ Minimal Collection risk due to being part of PoC framework

Fixed Return Project

- ❖ Fixed 15.5% ROE as per current tariff regulations (FY19-24)
- ❖ Any maintenance capex incurred is a pass-through

PKTCL: Acquisition and other details

- Joint venture (74:26) between Reliance Infra and PGCIL. IndiGrid will acquire 74% stake from Reliance Infra in PKTCL.
- **Acquisition Details:**
 - SPA has been executed in the last week of November 2020.
 - Enterprise Value of ~INR 9.0 billion subject to closing adjustments with respect to outstanding cash balance, net current assets and other similar balance sheet items
 - Key approvals required - PGCIL and existing project lenders
 - Transaction is expected to be completed in Q4 FY21 post receipt of above approvals and completion of other contractual Conditions Precedent
- No dilution; acquisition to be funded with available preferential issue funds, debt headroom and internal accruals.

FY	Average line availability	Revenue (in millions)	EBITDA (in millions)
FY20	99.88%	2,090*	2,001*

**includes one time revenue of ~INR 400 million on account of change in COD in 3 elements*

Diversification Strategy: Focus on Stable Solar Projects



- Assets having Tier I Equipment
- Counter Parties like SECI / NTPC / GUVNL
- Long term PPAs – life of ~20+ years
- Assets with good PPA framework

FRV Solar Assets Details

Project Details

Overview	<ul style="list-style-type: none"> • 2 solar PV plants (P2 & P8) of 50 MWAC each in a high radiation zone, the Ananthapuramu Solar Park on the border of Karnataka and AP • Awarded through a reverse auction conducted by SECI for PPA tenor of 25 years • PPA Date: October 05, 2016 • Tariff: INR 4.43 per unit + INR 0.445 cr. /MW of VGF
Description	<ul style="list-style-type: none"> • Plants are connected directly with ISTS Network through PGCIL Substation that is ~3 Km & 8 Km from the Solar Park Pooling Substation • P2 was commissioned in July 2018 and P8 was commissioned in January 2019 • DC capacity: P2 - 68 MW and P8 – 70 MW • Lenders: IFC, FMO & IREDA



Investment Highlights

Robust PPA with creditworthy Off-taker

- ❖ SECI being AA+ rated represents a lower counterparty risk
- ❖ No defaults in payments from SECI

High predictability of long-term cash flows

- ❖ Track Record of 2 years of operations
- ❖ ~22.5 years of remaining PPA term
- ❖ High solar irradiation in Ananthapuramu SP

Assets with Tier-1 Equipment

- ❖ Trina & Longi Solar Modules
- ❖ Sungrow inverters in both P2 and P8
- ❖ Turnkey EPC by S&W



During FY20, the assets generated ~200 Mn units, saving 1,60,000 tons of CO₂, equivalent to CO₂ absorbed by 76 lacs trees

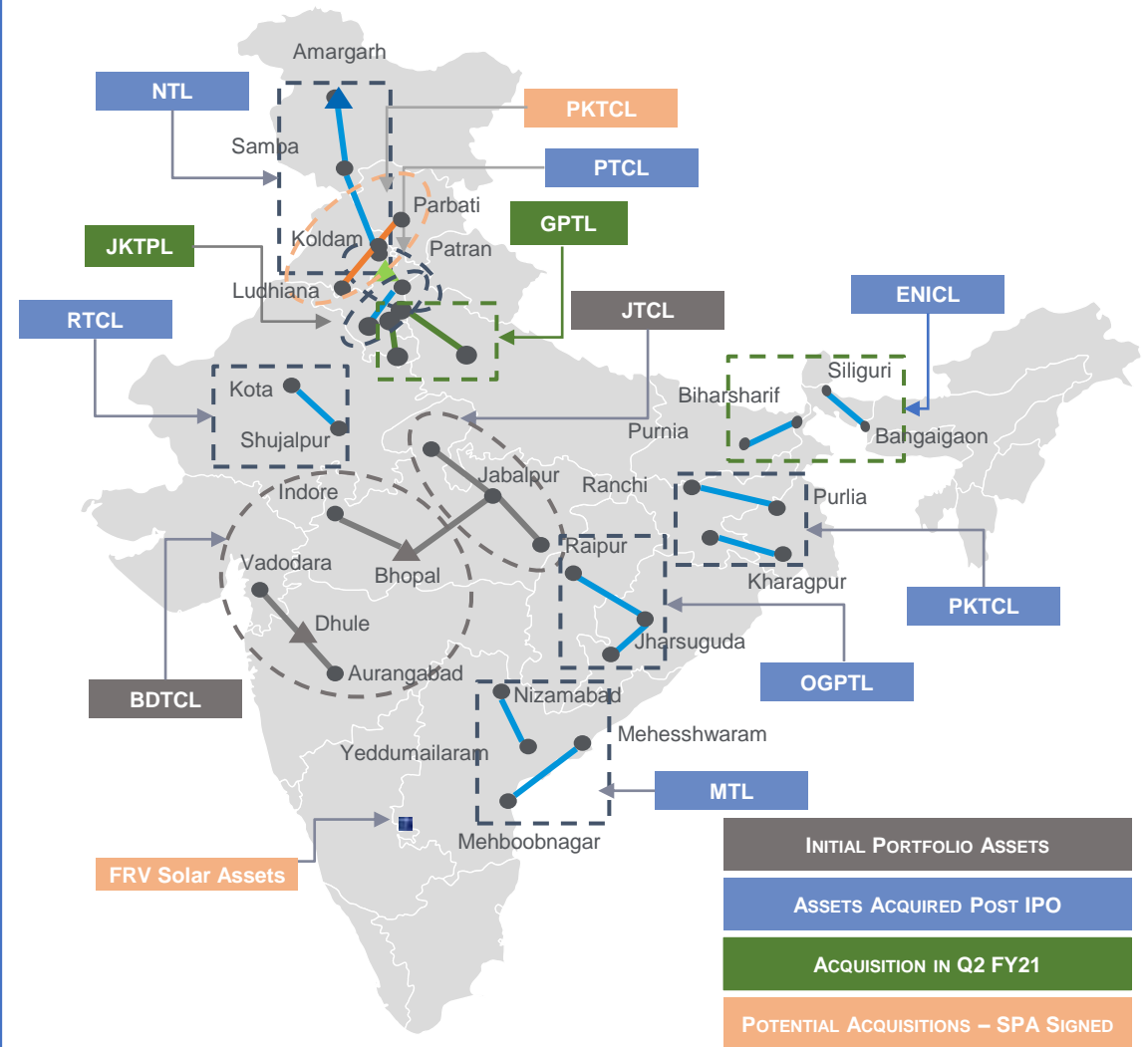
FRV Solar Assets: Acquisition Details

- Definitive Agreement executed on 18th December 2020
- 11th potential accretive acquisition since listing and after PKTCL
- No dilution; to be acquired with available preferential issue funds, debt headroom and internal accruals
- **Acquisition Details**
 - Enterprise Value of ~INR 6.6 billion with zero cash and zero receivables
 - Sufficient debt headroom available as current net debt/AUM is approximately ~54%, substantially lower than 70% debt limit
- Transaction targeted to be consummated by Q4FY21 post completion of pre-agreed Conditions Precedent

Project	Plant Availability (Since CoD)	Grid Availability (Since CoD)	Revenue – FY20 (in millions)	EBITDA – FY20 (in millions)
P2	99.2%	99.9%	473	420
P8	99.6%	99.8%	500	447

Value Accretive Acquisitions

- AUM to increase by ~12% to INR 15.5 BN post acquisition of PKTCL and FRV
- Net Debt / AUM of ~58% post acquisitions; leaving enough headroom to acquire Framework Assets - NER & KTL
- Annual EBITDA of INR 225 cr. to be added to the platform
- Cumulative Annual NDCF addition of INR ~40-50 cr.





 **IndiGrid**

THANK YOU

