



**Acquisition of Three
Sponsor Assets**

7 October, 2017

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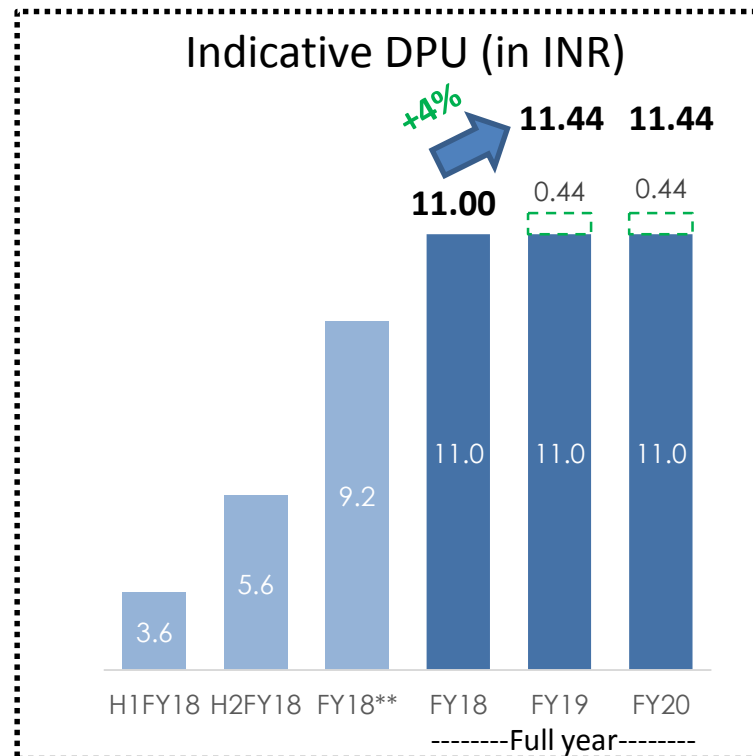
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Key message

- First acquisition by IndiGrid of Sponsor assets worth INR 14.9 billion
- Acquisition leads to IndiGrid's annualised DPU increase from INR 11/ unit to INR 11.44/ unit that is mid-point of guidance (3-5% DPU increase pa)
- DPU post acquisition implies a yield increase from 11.6% to 12.1%*
- IndiGrid AUM increases by 40% from INR 38 billion to INR 53 billion

*based on INR 94.9/ unit closing price of 6 October 2017



** For 10 months

Presentation flow

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2. Proposed acquisition and transaction structure
3. Acquisition in line with IndiGrid's strategy
4. Acquisition funding
5. Next steps and future growth
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 - Overview of the acquisition assets
 - Glossary

**IndiGrid:
Vision and
growth
strategy**



IndiGrid - India's First Power Sector InvIT...

- Owns inter-state high voltage power transmission assets
- Fully operational and revenue generating portfolio
- Focused on stable & sustainable distribution
- Strong growth pipeline with ROFO on Sponsor assets

~ INR38 billion*
Asset under Management



Two Project SPVs

1,936 circuit KM
6,000 MVA



8 Lines and 2 substations

AAA Rated
Perpetual Ownership



33 years of residual contract life

Note: *Based on NAV calculated in the Valuation Report in the Final Offer Document.



With a focussed 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 billion
AUM by
2022

Deliver
predictable
DPU and
growth

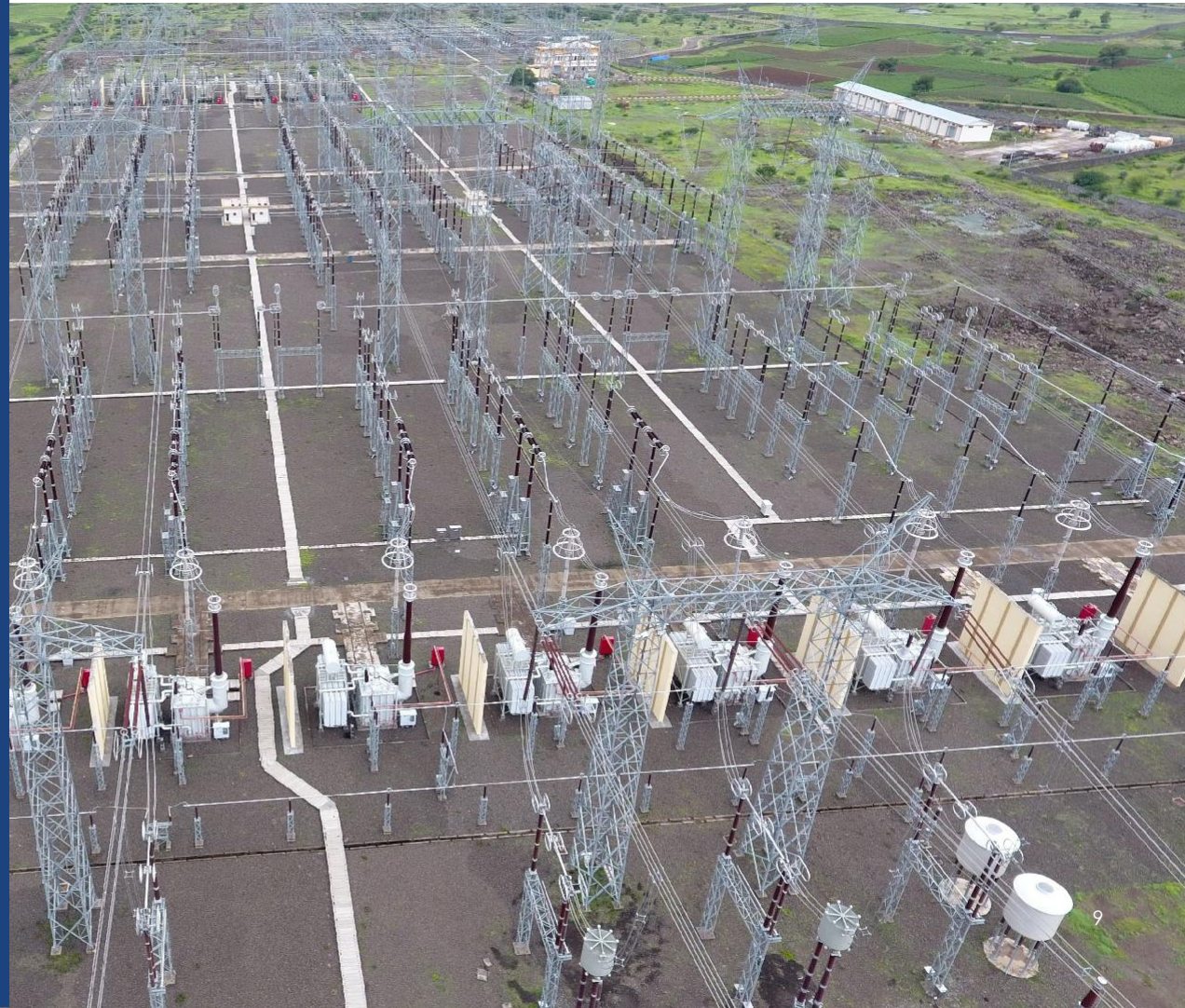
Best-in-class
corporate
governance

.. and a robust growth strategy targeted at value accretive growth for the unitholders

Focused Business Model	Value Accretive Growth	Optimal Capital Structure	Maximize Distribution
<p>Focus on owning power transmission assets with</p> <ul style="list-style-type: none">• long term contracts• low operating risks• stable cash flows	<ul style="list-style-type: none">• 3-5% DPU growth YoY• Acquire assets from Sponsor under ROFO• Acquire third party assets	<ul style="list-style-type: none">• Cap of 49% consolidated leverage of total asset value• Appropriate risk policies in place	<ul style="list-style-type: none">• Minimum 90% net cash to be distributed• Quarterly distribution to the unitholders

Committed to deliver value accretive acquisitions → 3-5% DPU growth p.a. to the unitholders

Proposed
acquisition and
transaction
structure



Proposed Acquisition: 3 ROFO assets in IndiGrid

Proposed acquisition to result in a diversified transmission portfolio

- Acquisition of 3 ROFO assets in FY 18, subject to customary regulatory and unitholders approval



Today

AUM: INR 38 billion

1,936 circuit kms

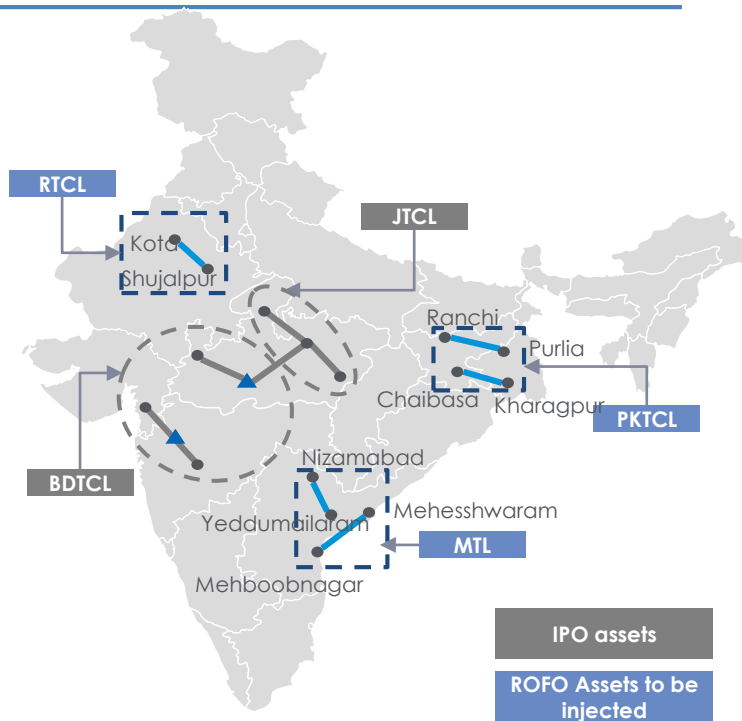
Presence in 4 states across India

Post acquisition

AUM: ~INR 53 billion
(+40%)

~3,360 circuit kms
(+75%)

Presence in 8 states across India (+ 4 states)



Indicative valuation and proposed acquisition consideration

Independent valuation and acquisition consideration

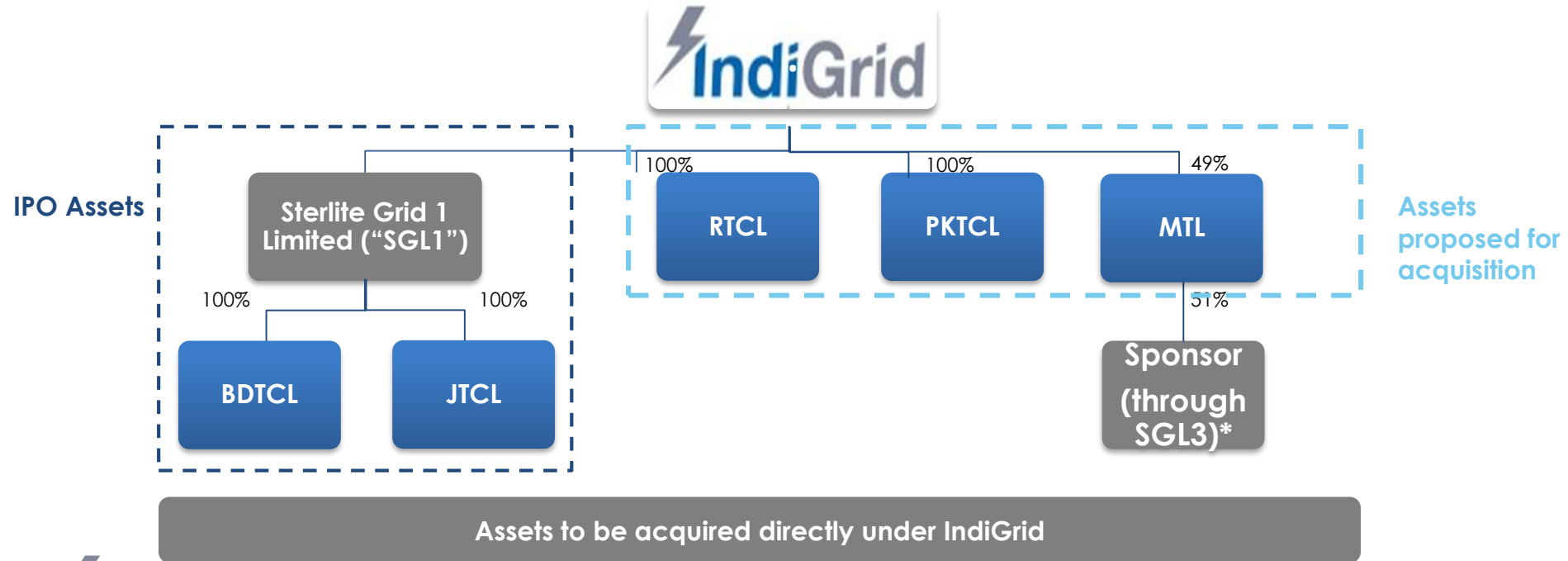
Asset	Enterprise Value as per independent valuation (INR mn)	Acquisition consideration (INR mn)	Premium / (Discount) to Independent valuation
RTCL	3,935	3,738	(5.0%)
PKTCL	6,512	6,186	(5.0%)
MTL*	5,218	4,957	(5.0%)
Total	15,666	14,881	(5.0%)

Source: independent valuation report from Haribhakti & Co. LLP., a member firm of Baker Tilly International

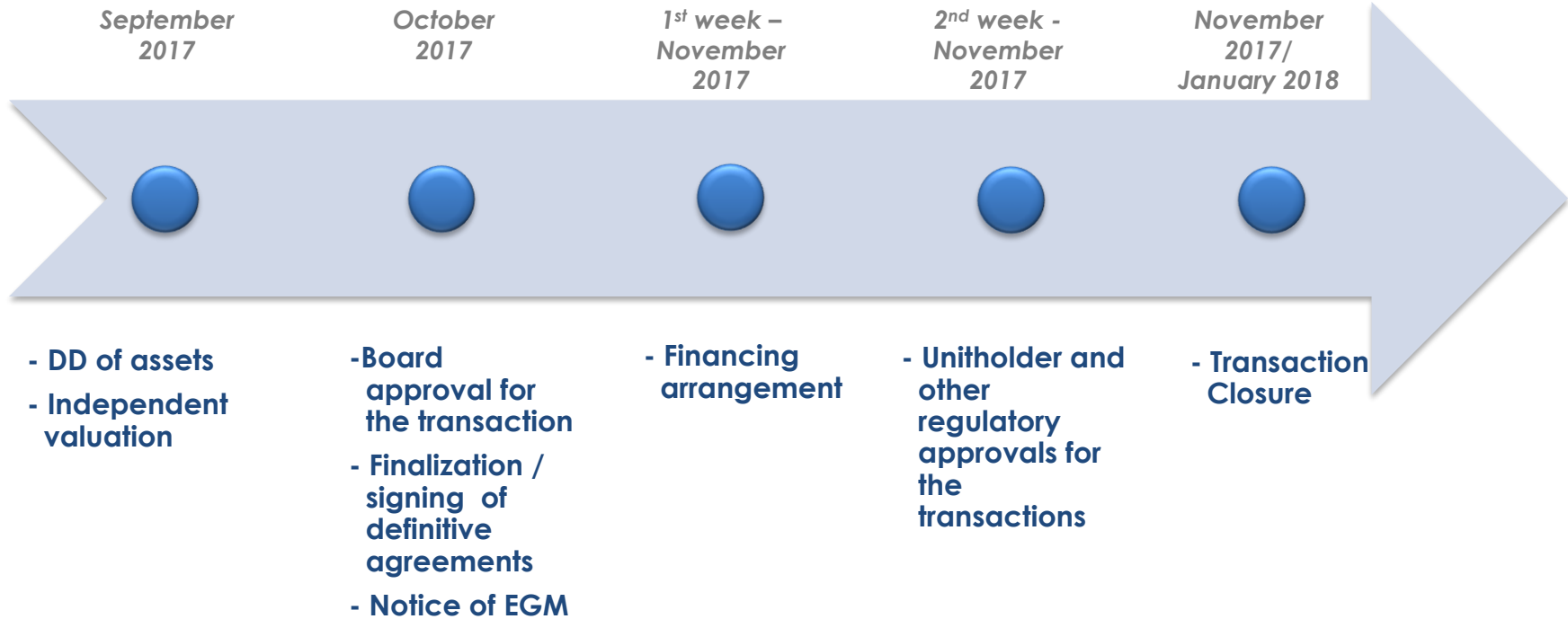
IndiGrid will acquire the three ROFO assets at 5% discount to independent valuation

IndiGrid's structure post acquisition

IndiGrid structure post acquisition



Proposed transaction likely to consummate by Q4 FY 18



Acquisition in
line with
IndiGrid's
strategy



Acquisition in line with IndiGrid Strategy

Focused Business Model

- long term contracts
- low operating risks
- stable cash flows

- ✓ **Approx. 33 – 35 years residual life of acquisition assets**
- ✓ **High historical availability of assets***
- ✓ **Revenue governed by POC mechanism controlled by PGCIL**
- ✓ **AAA rated**

- **Significant remaining useful TSA term** of the assets (as of 30 September 2017) :
 - RTCL: 34 years
 - PKTCL: 34 years
 - MTL: 35 years
- **Actual useful life of ~50 years:** as per technical assessment
→ asset life longer than TSA term

Asset	Average line availability since COD
RTCL	99.79%
PKTCL	99.92%

- **Robust POC mechanism:** ISTS projects under POC mechanism which is entirely controlled by PGCIL → tariff on basis of availability irrespective of power quantum transmitted

Acquisition is in line with IndiGrid Strategy

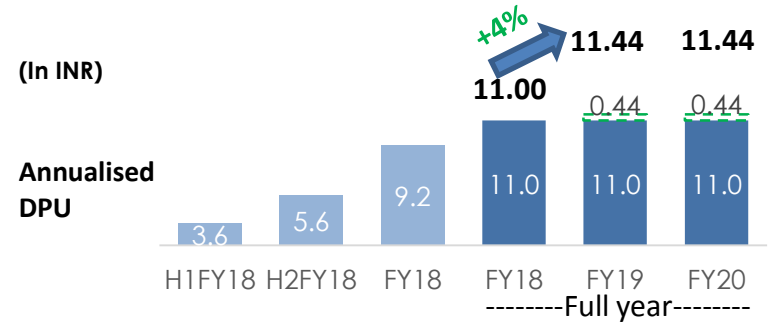
Value Accretive Growth

- 3-5% DPU growth YoY

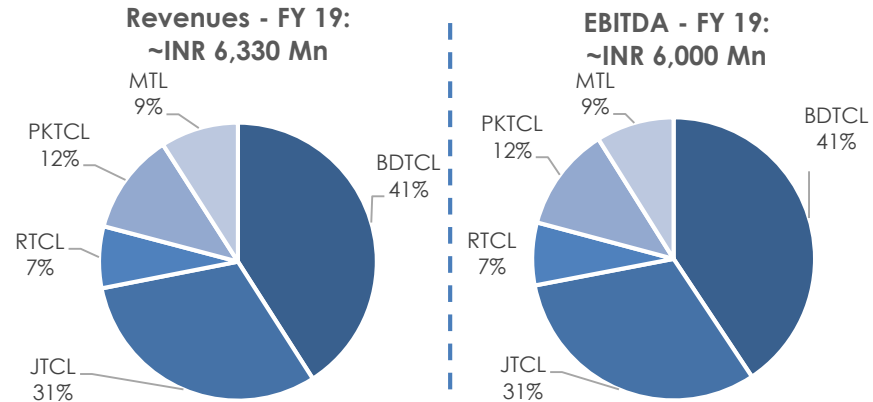
- Acquire assets from Sponsor under ROFO

✓ Acquisition to result in 4% DPU increase p.a.

✓ 3 assets to be acquired from the Sponsor at 5% discount to independent valuation



Acquisition to result in DPU increase of 4% p.a.



Acquisition funding



Overview of the financing structure

Proposed funding mechanism

- Acquisition to be funded entirely by debt at IndiGrid or SPV level
- Debt to be secured against the cash flows of the underlying assets
- Possibility of issuing NCDs subject to SEBI notification* on issuance of debt security at InvIT level before the transaction closure timeline
- Alternatively, IndiGrid to evaluate mix of NCDs and bank loan







Key terms of debt

Instrument	Rated, Senior, Secured Non Convertible debentures* / other debt
Issue amount	Up to the acquisition amount
Tenure	Long tenure (10-15 years)
Coupon	In line with current interest rate of existing assets

Next steps
and future
growth



Future Growth: Ready pipeline of assets

	Sponsor ROFO					Sponsor Non ROFO	Sponsor future growth pipeline
	East North Interconnecti on Ltd (ENICL)*	NRSS XXIX Transmission Ltd (NTL)	Odisha Generation Phase Transmission Ltd (OGPTL)	Gurgaon-Palwal Transmission Ltd (GPTL)	Khargone Transmission Ltd (KTL)	NER-II Transmission Limited	Potential acquisition of future assets bid and won by Sponsor
							
Overview	2 x 400 kV D/C lines	3x400 kV D/C lines, 1x400/220 kV D/C GIS sub-station	1x765 kV D/C line, 1x400 kV D/C line	5x400kV D/C lines and 3x400/220 kV substations	2x765 kV D/C lines, 1x400 kV D/C line and 1x765/400 kV substation	2x400 kV D/C lines, 2x132 kV D/C lines and 2x400/132 kV substations	
Scheduled COD	Commissioned	Oct 2018	Aug 2019	Sep 2019	Jul 2019	Nov 2020	
Length	909 ckms	887 ckms	715 ckms	271 ckms	624 ckms	900 ckms	Growth through third party acquisition
Revenues (5 yr. avg.)	INR 1,420 Mn	INR 5,030 Mn	INR 1,590 Mn	INR 1,440 Mn	INR 1,860 Mn	INR 4,520 Mn	

Achieving long term vision:

INR 300 billion AUM by 2022

Appendix



Overview of
the
acquisition
assets



RAPP Transmission Company Limited (RTCL)



RAPP Transmission Company Limited

Overview	<ul style="list-style-type: none">• Project was set up to transfer power from the atomic power plant near Kota in Rajasthan to Shujalpur in Madhya Pradesh to provide the path for the evacuation of electricity generated at RAPP-7 and 8• The network will act as an interregional link between the Northern and the Western region• RAPP would help in evacuation of power even in case of any grid constraints in the Northern region
Description	<ul style="list-style-type: none">• Project scope involves establishment and operation of one 400kV Double Circuit transmission line
Key dates and tenure	<ul style="list-style-type: none">• Initial tenure period of 35 years (residual tenure of 33.5 years)• TSA signed on: July 24, 2013• Scheduled COD: March 1, 2016• Actual COD: February 26, 2016• Injection into POC: March 1, 2016
Lead LTTC	<ul style="list-style-type: none">• UP Power Corporation Limited

Lines	Route Length	Specifications	Location	Status
RAPP- Shujalpur	403 cKms	400 kVD/C	Rajasthan, Madhya Pradesh	Operational

Purulia & Kharagpur Transmission Company Limited (PKTCL)



Purulia & Kharagpur Transmission Company Limited

Overview	<ul style="list-style-type: none"> Connecting link further strengthening the interconnection between the West Bengal state grid and ISTS → to strengthen the transmission system in the Indian states of West Bengal and Jharkhand
Description	<ul style="list-style-type: none"> 400 kV substation at Kharagpur of West Bengal State Electricity Transmission Company Limited (WBSETCL) has been commissioned with LILO of Kolaghat-Baripada line. Chaibasa substation of Powergrid is under implementation with LILO of both circuits of Jamshedpur-Rourkela line Ranchi 400 kV substation is a sub-station in Eastern Region grid and also one of the gateways for power exchange with Western Region Grid
Key dates and tenure	<ul style="list-style-type: none"> Initial tenure period of 35 years (residual tenure of 34.5 years) TSA signed on: August 6, 2013 Scheduled COD: April 2016 Actual COD: June 18, 2016 (KC Line), Jan 7, 2017 (PR Line) Injection into POC: June 18, 2016 (KC Line), Jan 7, 2017 (PR Line)
Lead LTC	<ul style="list-style-type: none"> Bihar State Electricity Board

Lines	Route Length	Specifications	Location	Status
Kharagpur – Chaibasa	322 cKms	400 kVD/C	West Bengal, Jharkhand	Operational
Purulia – Ranchi	223 cKms	400 kVD/C	West Bengal, Jharkhand	Operational

Maheshwaram Transmission Limited (MTL)



Maheshwaram Transmission Limited

Overview	<ul style="list-style-type: none"> • Maheshwaram Transmission Limited (MTL) will create a key component to enable Southern region to draw more power from North-East-West (NEW) Grid and address the issue of power stability in Telangana region to a great extent • The improved grid connectivity shall facilitate power procurement from the ISTS network to the beneficiary states Telangana, Tamil Nadu, Seemandhra and Karnataka to meet their electricity demands
Description	<ul style="list-style-type: none"> • Project envisaged to provide grid connectivity for Maheshwaram 765/400 kV Pooling Substation and Nizamabad 765/400 kV Substation
Key dates and tenure	<ul style="list-style-type: none"> • Initial tenure period of 35 years (residual tenure of 35 years) • TSA signed on: June 10, 2015 • Scheduled COD: June 2018
Lead LTIC	<ul style="list-style-type: none"> • TANGEDCO

Lines	Route Length	Specifications	Location	Status
Maheshwaram (PG) – Mehboob Nagar	199 cKms	400 kV D/C	Telangana	Expected COD: Q3 FY 2018
Nizamabad – Yeddumailaram (Shankarpalli)	278 cKms	400 kV D/C	Telangana	Commissioned in September 2017

Glossary

Availability	The percentage amount of time for which the asset is available for power flow
BDTCL	Bhopal Dhule Transmission Company Limited
DPU	Distribution Per Unit (DPU) is cash paid to the Unitholders in the form of interest/ capital repayment / dividend
IPA	Initial Portfolio Assets (IPAs) refers to BDTCL and JTCL which were acquired by IndiGrid at the time of IPO
ISTS	Inter-State Transmission System
JTCL	Jabalpur Transmission Company Limited
MTL	Maheshwaram Transmission Limited
NDCF	Net Distributable Cash Flow (NDCF) is the net cash flow that the trust has at it's disposal for distribution to IndiGrid in a particular year in accordance with the formula defined in the Offer Document
O&M	Operations and Maintenance (O&M) cost
PKTCL	Purulia Kharagpur Transmission Company Limited
ROFO	Right Of First Offer
RTCL	RAPP Transmission Company Limited
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
YoY	Year on year

Thank You