



**Acquisition update
February 2018**

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Key message



Key message

- Successfully completes acquisition of Sponsor assets worth INR 14.10 billion
- Signs definitive agreements with Techno Electric for investment in Patran Transmission Company Ltd (“PTCL”) for a purchase consideration of INR 2.32 billion
- Portfolio IRR to increase to 11%* post acquisition of PTCL in Q1 FY19
- Annualized distribution per unit (“DPU”) of at least INR 12 pa for the next five years
- Medium term target to reach 12%** portfolio IRR
- Strong growth pipeline of Sponsor and third party assets

* 11% at current market price (19 Feb 2018) and 10% at IPO issue price of INR 100/ unit

** at IPO issue price of INR 100/ unit



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 Strategy

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

Acquisition of Sponsor assets



IndiGrid- India's First Power Sector InvIT

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

~INR 55 Bn* AUM

3,361 circuit KM
7,000 MVA

AAA Rated
Perpetual
Ownership

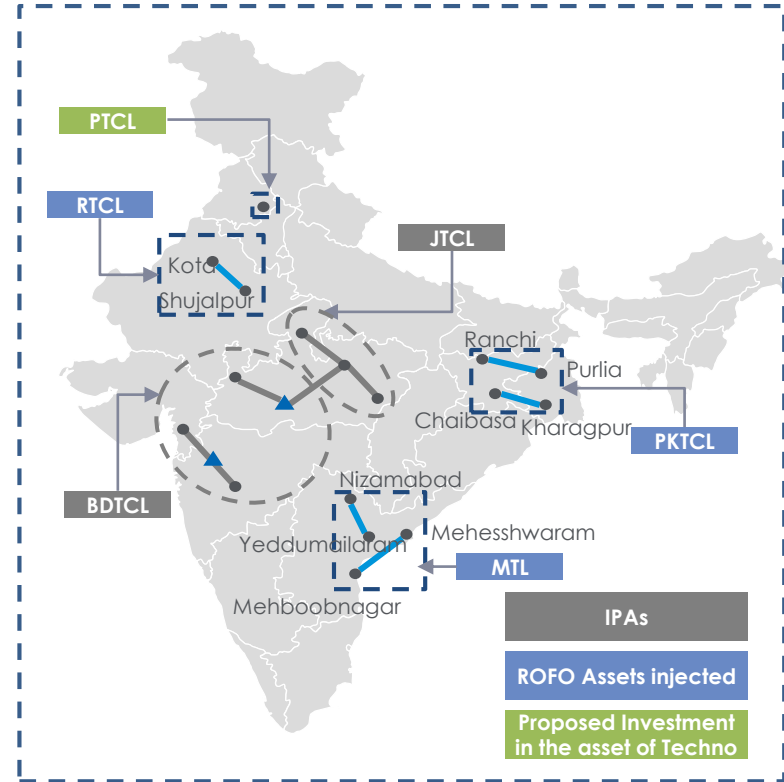
6 Project SPVs

13 Lines and 3
substations

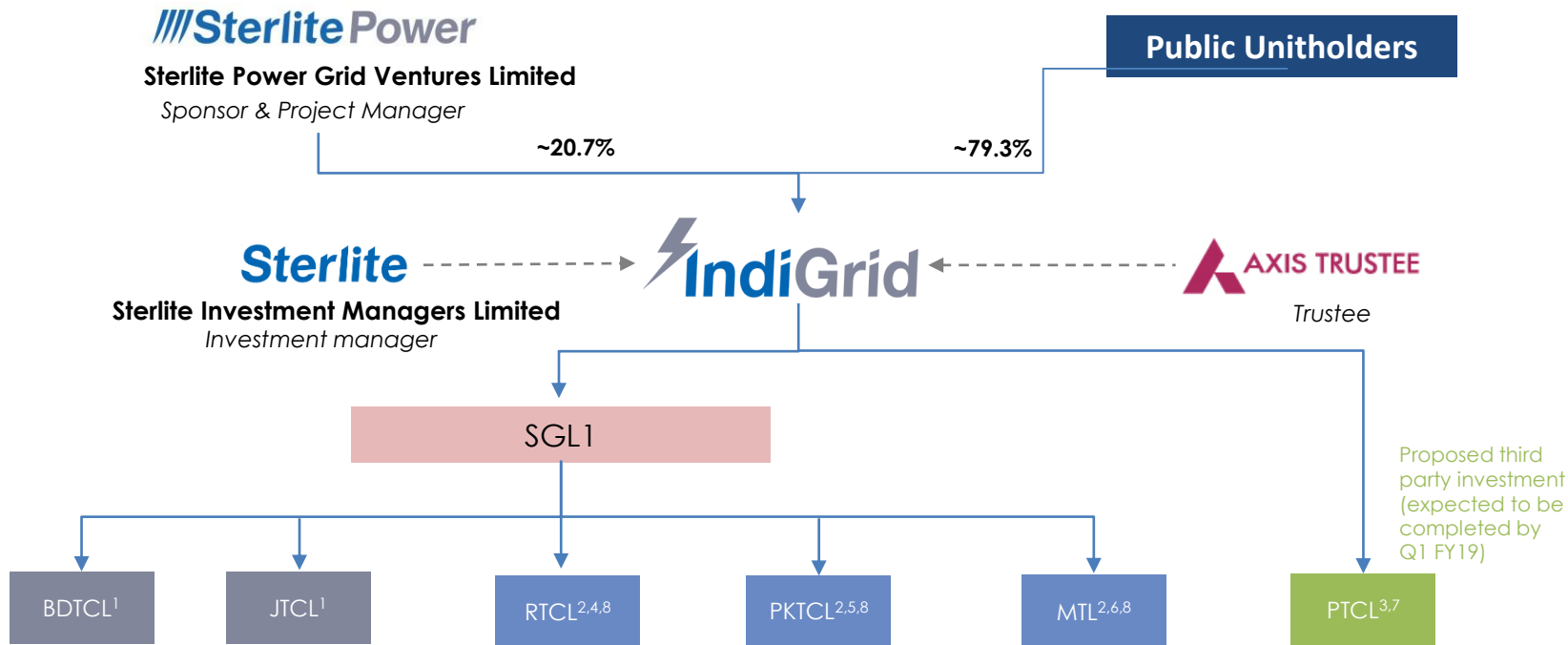
~33 years of
residual
contract#

* Based on independent valuation report for BDTCL and JTCL as of 30 Sep 2017 and for RTCL, PKTCL, MTL and PTCL as of 30 Jun 2017

Remaining TSA contractual life of 33 years. However, the projects are on BOOM model with perpetual ownership of IndiGrid



IndiGrid – Key Stakeholders



Note 1: 100% owned. 2: 49% owned. 3: Proposed 46% investment. 4: RTCL - 74% by Mar-18, 100% by Mar-21. 5: PKTCL - 100% by Mar-18. 6: MTL - 74% by Dec-19, 100% by Dec-22. 7: PTCL - 74% by Nov-18, 100% by Nov-21. 8: Balance stake today held by Sponsor entities.

Acquisition consideration and financing

Asset	Previous acquisition consideration (INR mn)	Final acquisition consideration (INR mn)
RTCL	3,738	3,542
PKTCL	6,186	5,861
MTL*	4,957	4,697
Total	14,881	14,100

Additional discount will lead to an *equity IRR of 11% at current price*

- Acquisition financed by
 - INR 10.0 billion loan with bullet repayment after 10 years at 8.25% fixed interest rate
 - INR 4.2 billion short term loan – to be refinanced with long term loan/ bond

Proposed
investment in
Patran
Transmission



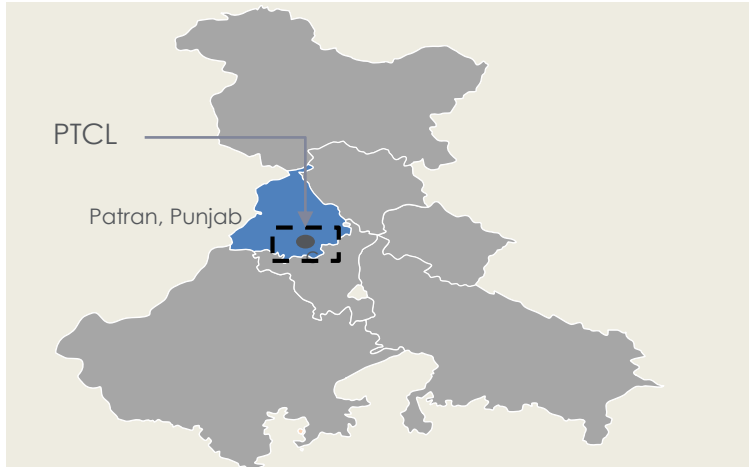
PTCL overview



Patran Transmission Company Limited

Overview	<ul style="list-style-type: none">• Project awarded to TEECL by the Ministry of Power on a BOOM basis• Project executed by TEECL on a turnkey contract basis
Description	<ul style="list-style-type: none">• Project comprises of 400/ 220 kV substation with 14 bays in Patran, Punjab and LILO of both circuits of Patiala-Kaithal 400 kV double circuit triple snow bird line
Key EPC Sub-contractors	<ul style="list-style-type: none">• ABB, Oblum, Tesla, Statcon, Exide
Key dates and tenure	<ul style="list-style-type: none">• Project Tenure: 35 years (residual tenure of ~33 years)• TSA signed on: May 12, 2014• Scheduled COD: November 11, 2016• Actual COD: June 21, 2016• Injection into PoC: May 18, 2017
Lead LTTC	<ul style="list-style-type: none">• UP Power Corporation Limited

PTCL valuation and purchase consideration



**PTCL helps strengthen the transmission system in Punjab
(specific need for 400/220 kV substation in the region)**

- ✓ 33 years of residual tenure
- ✓ Asset under PoC mechanism
- ✓ Avg. availability since COD: 99.96%

Independent Valuation & Purchase Consideration

EV as per Independent Valuation ¹ (INR mn)	2,247
Purchase Consideration (INR mn)	~2,320
Premium over Independent Valuation	3% Premium








Note 1. Source independent valuation report from Haribhakti & Co. LLP., a member firm of Baker Tilly International

- Investment to be funded by debt and/or equity
- Transaction expected to be completed by Q1 FY19

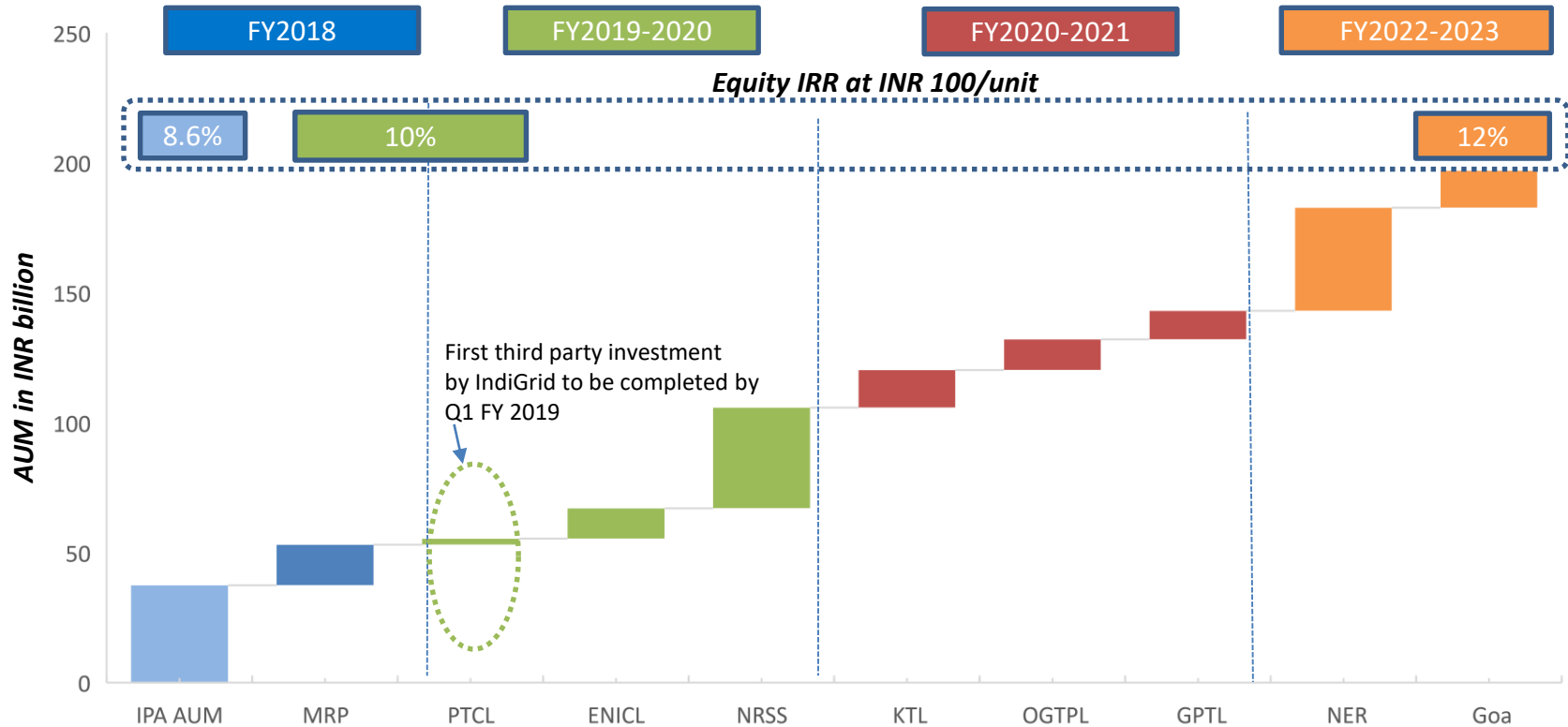
Growth strategy



Strong pipeline of existing Sponsor Assets

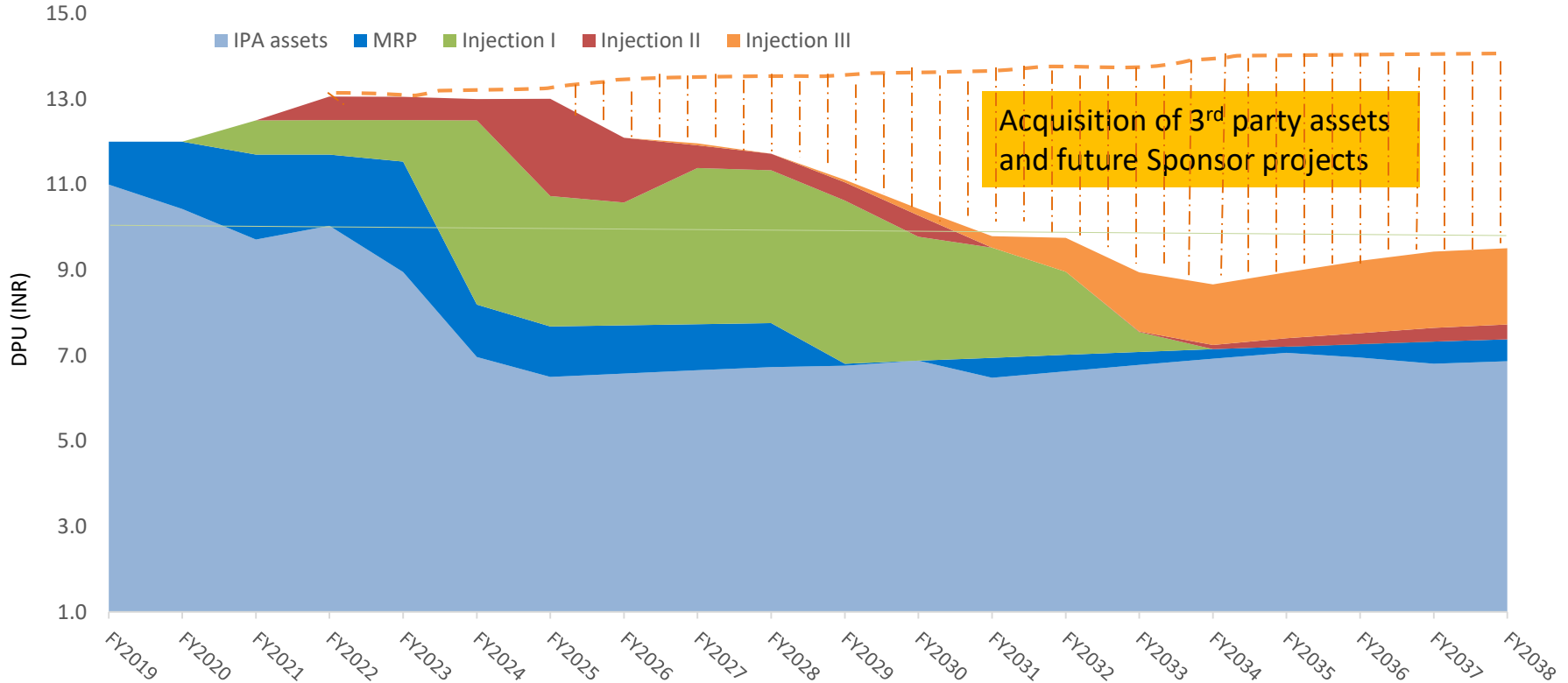
	East North Interconnection Ltd (ENICL)		NRSS XXIX Transmission Ltd (NTL)		+			Odisha Generation Phase Transmission Ltd (OGPTL)			Gurgaon-Palwal Transmission Ltd (GPTL)		Khargone Transmission Ltd (KTL)		+		NER-II Transmission Limited		Goa Tamnar Transmission Project Ltd.	
Overview																				
	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	2x400 kV D/C quad lines, 1x765 kV D/C line, 2x500 MVA, 400/220 kV substation								
Scheduled COD	Commissioned	Oct 2018			Aug 2019	Sep 2019	Jul 2019				Nov 2020	LOI Received on Nov 30, 2017								
Length	909 ckms	887 ckms			715 ckms	271 ckms	624 ckms				900 ckms	~500 ckms (tentative)								
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	Tariff adoption order awaited								

Sponsor asset injection alone underpins 12% IRR and AUM of INR 200bn



Note 1. IPA AUM as of 30 Sep 2017. 2. MRP (MTL, RTCL and PKTCL) AUM as of 30 Jun 2017.

Indicative DPU considering Sponsor assets and PTCL



Appendix



Sector fundamentals point to strong growth in the next 3 years

Distribution Reforms

- Saubhagya Scheme requires a six fold jump in the pace of electrification
- Deen Dayal Upadhyaya Gram Jyoti Yojana (DDJUGY) & Ujwal DISCOM Assurance Yojana (UDAY) helping rural electrification and revival of DISCOMs

Demand for Power

Evolution of Generation Footprint

- Non-Performing Assets (NPAs) and safety issues to see retirement of plants
- GOI targets 175 - 200GW renewable energy capacity addition by 2022
- Intermittency of renewable output poses a need for higher transmission capacity addition

Transmission Footprint
Availability of Renewables (linked transmission benefits)

Greater Scope for PPP Projects

- Inter State Transmission system moving to TBCB as cost-plus not feasible
- Intra State projects coming into TBCB (case-in-point: Jharkhand tender - INR 52 billion)

Number of Tenders Released

Further growth potential from near term bids...

Current Inter-State and Intra-state TBCB tenders

Name of Tender	Stage of Tender	Location	Estimated Cost (INR billion)
WR-NR Interconnection	RFP	UP, MP	10.8
Ultra Mega Solar Park in Fatehgarh	RFP	Rajasthan	6.2
Connectivity and LTA to HPPCL	RFP	Himachal Pradesh	3.5
Strengthening in Jharkhand (Package 1)	RFQ	Jharkhand	9.8
Strengthening in Jharkhand (Package 2)	RFQ	Jharkhand	10.8
Strengthening in Jharkhand (Package 3)	RFQ	Jharkhand	9.5
Strengthening in Jharkhand (Package 4)	RFQ	Jharkhand	10.4
Strengthening in Jharkhand (Package 5)	RFQ	Jharkhand	11.4
System strengthening Scheme in Northern Region	Pipeline	Northern Region	2.3
Reactive Power Compensation in Northern Region	Pipeline	Northern Region	2.3
ISTS Feed to Navi Mumbai	Pipeline	Maharashtra	2.6
New Substation near Vapi area	Pipeline	Gujarat	2.0
North Eastern Region Strengthening Scheme – IX	Pipeline	North Eastern Region	0.7
Additional 400 kV outlets from Banaskantha	Pipeline	Gujarat	0.6
Total			82.9

Glossary

Availability	Percentage amount of time for which the asset is available for power flow
BDTCL	Bhopal Dhule Transmission Company Limited
BOOM	Build, Own, Operate & Maintain
COD	Commissioning Date
DPU	Cash paid to the Unitholders in the form of interest/ capital repayment / dividend
EGM	Extraordinary General Meeting
EPC	Engineering, Procurement and Construction
INR	Indian Rupees
IPA	BDTCL and JTCL which were acquired by IndiGrid at the time of IPO
JTCL	Jabalpur Transmission Company Limited
LILO	Loop In Loop Out
LTC	Long Term Transmission Customer
MTL	Maheshwaram Transmission Limited
PKTCL	Purulia Kharagpur Transmission Company Limited
PoC	Point of Connection
PTCL	Patran Transmission Company Limited
ROFO	Right Of First Offer
RTCL	RAPP Transmission Company Limited
TEECL	Techno Electric & Engineering Company Limited
TSA	Transmission Service Agreement

Thank You