

**Date:** March 28, 2024

**B S E Limited**

Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai — 400 001

**National Stock Exchange of India Ltd**

Exchange Plaza, C/1, Block G, Bandra-Kurla  
Complex, Bandra (East), Mumbai — 400 051

Security Code- 540565

Symbol- INDIGRID

**Subject: Intimation of Roadshow Investor Presentation**

Dear Sir/ Madam,

Pursuant to Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014 and other applicable laws and regulations, this is to inform you that senior management of IndiGrid Investment Managers Limited, Investment Manager of India Grid Trust (IndiGrid) presented the attached Investor Presentation in the "Media/Brokers Roadshow for education on the sector and InvITs" held on March 27, 2024, in Pune, Maharashtra.

You are requested to take the same on record.

Thanking you,

For **IndiGrid Investment Managers Limited**

(Acting as the Investment Manager of India Grid Trust)

**Urmil Shah**

Company Secretary & Compliance Officer  
ACS-23423

Copy to-

**Axis Trustee Services Limited**

The Ruby, 2<sup>nd</sup> Floor, SW, 29  
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Mumbai- 400 028, Maharashtra, India

**IndiGrid Investment Managers Limited**  
**(formerly known as Sterlite Investment Managers Limited)**

**Registered & Corporate Office:** Unit No. 101, First Floor, Windsor, Village KoleKalyan, off CST Road, Vidyanagari Marg, Kalina, Santacruz (East), Mumbai – 400 098, Maharashtra, India **CIN:** U28113MH2010PLC308857

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# **IndiGrid**

## **UNDERSTAND, EVALUATE, INVEST**

MARCH 2024

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# WHAT IS AN INFRASTRUCTURE INVESTMENT TRUST (INUIT)



# Understanding Infrastructure Investment Trusts (InvITs)

An InvIT is a pooled investment vehicle which enables direct investment of money from individual and institutional investors in infrastructure projects to earn a portion of the distributable income as return.

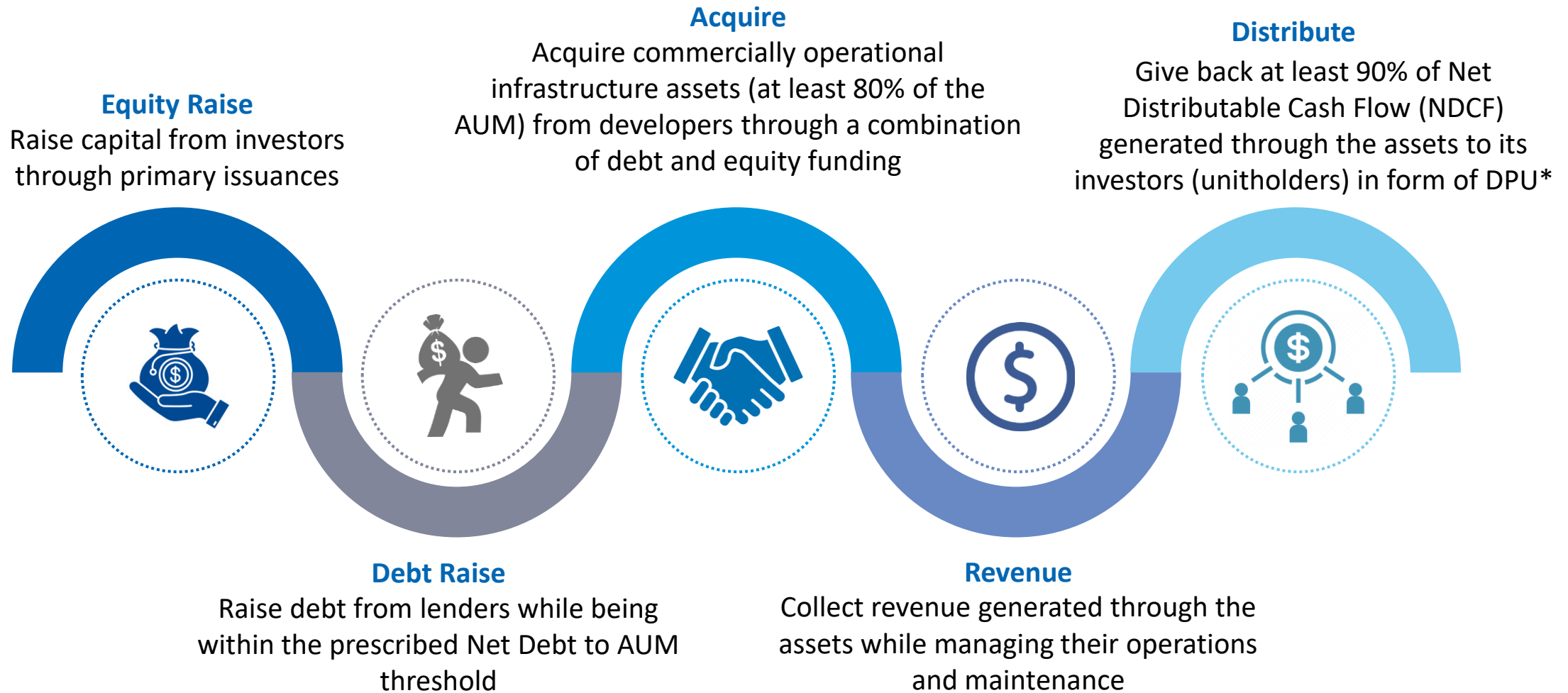
InvIT is designed as a tiered structure with Sponsor setting up the InvIT which in turn invests into the eligible infrastructure projects either directly or via special purpose vehicles (SPVs).

InvITs are regulated by SEBI (Infrastructure Investment Trusts) Regulations, 2014.

Although, like a Mutual Fund (MF), an InvIT is a pooled investment vehicle, however, while an MF invests in different stocks or bonds on their investors' behalf, InvITs invest in different income generating infrastructure projects to own, operate and manage them (till the end of respective concession periods).

Parameter	Mutual Fund (MF)	Infrastructure Investment Trust (InvIT)
<b>Underlying investment / asset</b>	Stocks and Bonds	Infrastructure Projects (roads, transmission lines, telecom towers, pipelines etc.)
<b>Management of Investment</b>	Managed by Fund Manager / CIO	Managed by the Investment Manager Entity
<b>Unit Purchase</b>	MFs (excluding ETFs) are not traded on exchanges and are to be bought directly from fund companies or via brokers	Like shares of equity companies, units of publicly listed InvITs can be traded on stock exchanges
<b>Risk Exposure</b>	Carry high exposure to stock market volatility	Primary dependence on performance of underlying infrastructural assets

# What does an InvIT do?



\*DPU – Distribution Per Unit (split into categories of interest, dividend, capital repayment, and other income)

# Features and Benefits of an InvIT

## Key Regulatory Tenets that make InvITs a safe choice for investment

- ❖ Minimum **90%** NDCF distributed to unitholders, at least semi-annually.
- ❖ Minimum **80%** portfolio of operational assets.
- ❖ Leverage ceiling at **70%**.
- ❖ Mandatory **AAA** credit rating.
- ❖ Unit-holder approval for **all key** decisions.
- ❖ Board representation for unit holders with stake beyond **10%**.

## Benefits of InvITs for the infrastructure value chain

- ✓ Provide long-term financing option for existing infrastructure projects
- ✓ Free up developer capital for reinvestment into new infrastructure projects
- ✓ To bring higher standards of governance into infrastructure development and management
- ✓ Facilitation of ownership of diversified infrastructure assets for retail investors
- ✓ Low-risk investments option to benefit long-term investors
- ✓ Growth potential for investors

# Growth of InvITs Globally and in India

- Globally, the concept of Business Trusts have existed since 1960s when they were introduced in the US market.
- In India, the structure was introduced in 2014 by SEBI through the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
- While across other markets irrespective of the underlying asset (real estate or infrastructure) business trusts are known as REITs (Real Estate Investment Trusts), in India, SEBI distinguished between these two categories naming them REIT (same as the global nomenclature) and InvIT (Infrastructure Investment Trust) – a term which is unique to India.

As of FY23	US	Singapore	Japan	UK	India
Year of Introduction	1960	1999	2000	2007	2014
Number of publicly listed active REITs / InvITS?	160	38	58	49	7
Max. Leverage Cap.	No Limit	45%	No Limit	No Limit	REIT: 49% InvIT: 70%
Market Capitalization (INR Bn)	~99,580	~5,500	~8,750	~5,500	~1,000
% of stock market cap	4.7%	14.3%	2.5%	2.0%	0.3%

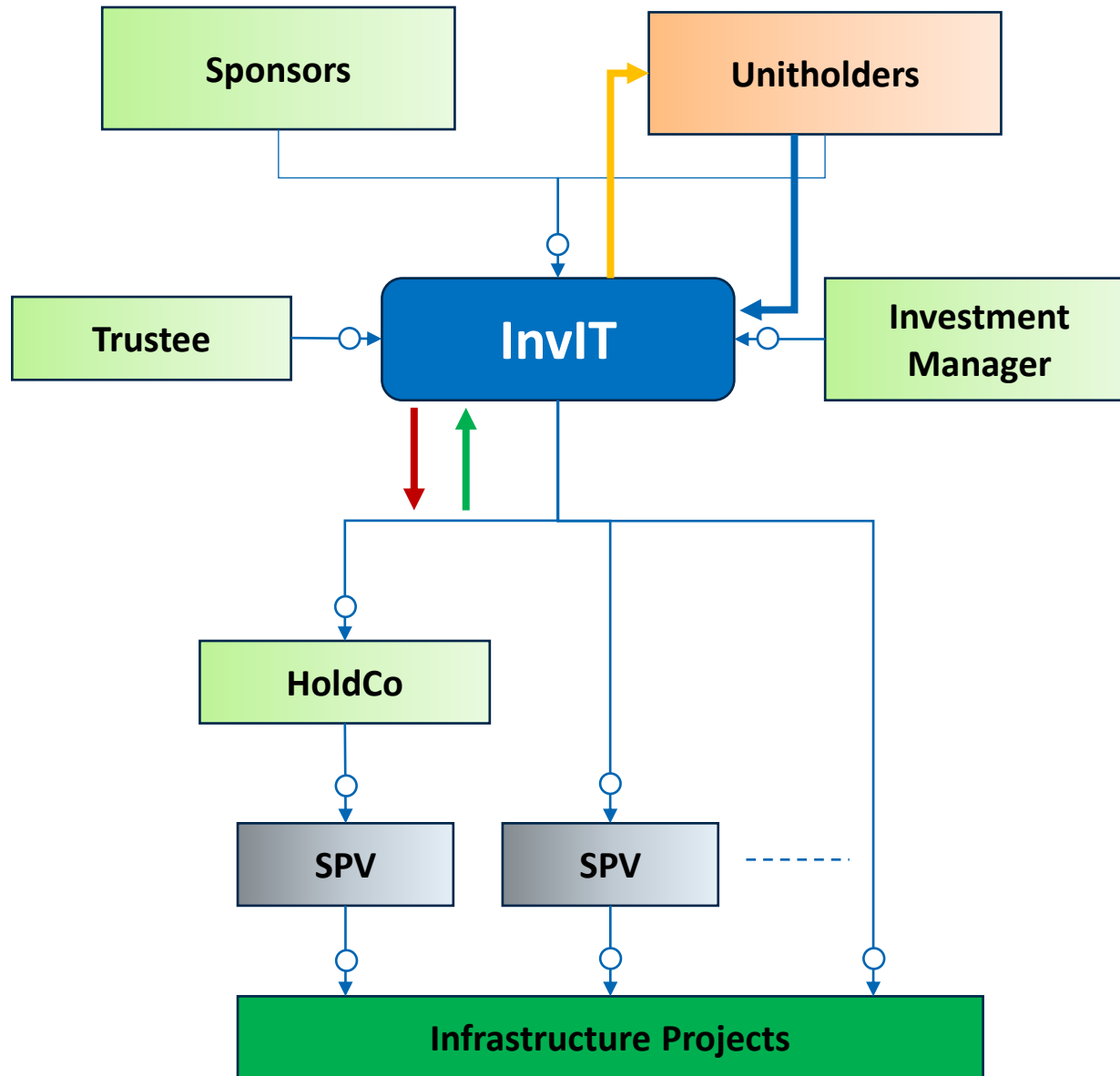
Source: S&P CapIQ as of November 2023; NAREIT; as on September 30, 2023; subject to certain conditions

While business trust as a structure was introduced in India only in 2014, the **speed** at which the space has grown is **unprecedented**

Today India has **24 InvITs registered with SEBI** with a total **AUM of over ~INR 4 lakh crores**



# Structure and Cashflows in InvIT



	<p><b>Unitholders' cashflow to InvIT</b></p> <ul style="list-style-type: none"> <li>• Funds infused at the time of issue</li> </ul>
	<p><b>InvITs' cashflow to unit holders</b></p> <ul style="list-style-type: none"> <li>• Dividend</li> <li>• Interest on loans</li> <li>• Capital repayment</li> </ul>
	<p><b>InvITs' cashflow to SPVs</b></p> <ul style="list-style-type: none"> <li>• InvIT loans for SPV loan prepayment</li> <li>• Meeting SPVs' other cash requirements reserve creation, etc.</li> </ul>
	<p><b>SPVs' cashflow to InvIT</b></p> <ul style="list-style-type: none"> <li>• Dividend</li> <li>• Interest on InvIT loans</li> <li>• Repayment of InvIT loans</li> </ul>

# InvITs are being praised by regulators

## Sebi chief Buch urges investors to invest in REITs and InvITs

1 min read • 13 Mar 2024, 06:25 PM IST

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*Fractional ownership of real estate and infrastructure is where the strength of the country will lie, Sebi chairperson said*



Madhabi Puri Buch, Sebi chairperson. (Photo: PTI)

Mumbai: Investors need to 'positively' look at assets such as REITs (real estate investment trusts), InvITs (infrastructure investment trusts), and municipal bonds, as they are crucial for the nation's growth, Madhabi Puri Buch, Sebi chairperson, said at a Sebi-NISM Research Conference here.

## SEBI chief says her new 'favourite' investment product will equal the size of India's equity market

*REITs, InvITs, and municipal bonds combined will become as big as equity markets in the next 10-15 years, the SEBI chief said at News18 Rising Bharat Summit.*

Investors need to **'positively'** look at assets such as **REITs (real estate investment trusts)**, **InvITs (infrastructure investment trusts)**, and municipal bonds, as they are crucial for the nation's growth.

The **value of these structured products** will far exceed today's value of goods and services produced by the corporate sector

The **governance and disclosures** of these asset classes now **provide SEBI the ease and confidence to tell retail investors** that it is comfortable with the way these assets are structured,



# INDIA GRID TRUST



# India Grid Trust – An attractive portfolio diversification opportunity



## Backed by KKR, IndiGrid Is First And The Largest InvIT In Transmission Sector

<b>Listed In 2017</b> SEBI Regulated InvIT	<b>AAA Rated</b> CRISIL / INDIA RATINGS / ICRA	<b>20 States &amp; 1 UT</b> Pan India Presence	<b>37 Projects</b> Under Management <sup>1</sup>
<b>~ INR 105 Bn</b> Market Capitalization	<b>~ INR 282 Bn</b> AUM <sup>1</sup>	<b>~ 63%</b> Net Debt : AUM <sup>1</sup>	
	<b>25 Quarters</b> of Consecutive Distribution	<b>~ INR 45 Bn</b> Gross Distributions till date	

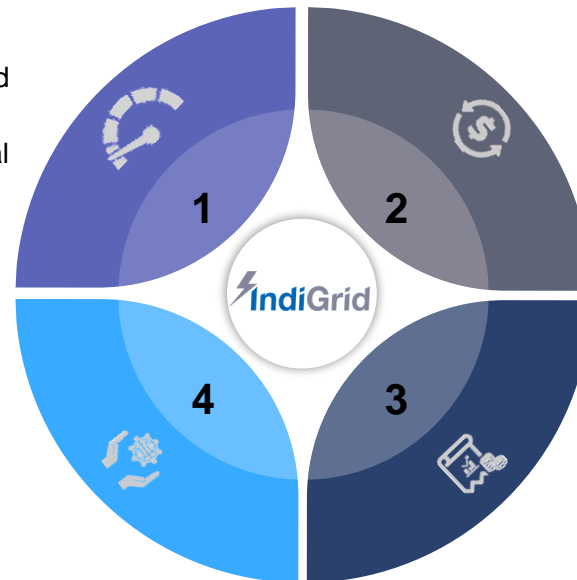


### Low-Risk Business Model

- Min. 80% of AUM is invested in finished and revenue generating infrastructure projects
- Pre-contracted tariffs with average residual contract life of:
  - Transmission: ~26.5 years
  - Solar: ~18 years
- Minimal counterparty risk

### Best In Class Corporate Governance

- 50% Independent Directors in the Board of IM
- Vote of the unitholders is required:
  - When debt > 25% of asset value
  - RP transaction > 5% of asset value



### Predictable DPU Growth

- Min. 90% of the net distributable CF is distributed to the unitholders every quarter
- Technical asset life of more than 50 years

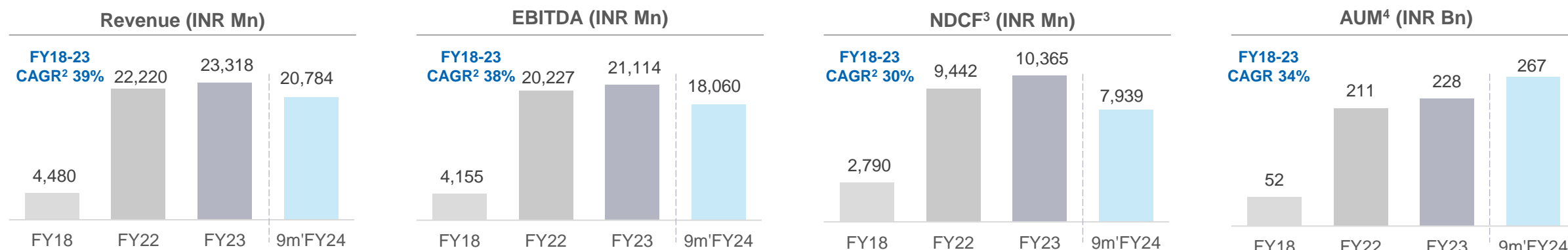
### Robust Balance Sheet

- ~63% leverage on borrowings
- AAA rated by CRISIL, ICRA, and India Ratings
- Raising pre-emptive capital to support future acquisitions



# Evolution over the Years

	Inception in 2017-18	2019-20	2021-24
<b>Portfolio Growth</b>	<ul style="list-style-type: none"> <li>8 lines (~1,936 ckms)</li> <li>2 S/S (6,000 MVA)</li> <li>4 states</li> <li>10 Revenue Elements</li> </ul>	<ul style="list-style-type: none"> <li>20 lines (~5,800 ckms)</li> <li>4 S/S (7,735 MVA)</li> <li>12 states &amp; 1 UT</li> <li>22 Revenue Elements</li> </ul>	<ul style="list-style-type: none"> <li>46 lines (~8,468 ckms)<sup>1</sup></li> <li>13 S/S (~17,550 MVA)<sup>1</sup></li> <li>855 MW (AC) Solar</li> <li>20 states &amp; 1 UT</li> <li>81 Revenue Elements<sup>1</sup></li> <li>6 u/c<sup>5</sup> projects: 4 TLs &amp; 2 BESS<sup>5</sup></li> </ul>
<b>Unitholder Base Diversification</b>	<ul style="list-style-type: none"> <li>Sponsor: Sterlite Power (16.73%)</li> <li>No insurance cos</li> <li>Retail holding at ~ ₹ 4,450 Mn</li> <li>FPIs held 39.94%</li> <li>Equity Capital: ₹ 22,500 Mn (IPO)</li> </ul>	<ul style="list-style-type: none"> <li>Sponsor: Sterlite Power (15%)</li> <li>7 insurance co. held 5.31% stake</li> <li>Retail holding at ~ ₹ 7,350 Mn</li> <li>FPIs held 55.07%</li> <li>Equity Capital : ₹ 25,100 Mn via Pref Issue</li> <li>Leverage limit increased to 70%,</li> <li>Lot size reduction, bank lending enabled</li> </ul>	<ul style="list-style-type: none"> <li>KKR inducted as a Sponsor (~21%)</li> <li>Sterlite Power declassified as Sponsor</li> <li>9 insurance co. held ~7% stake</li> <li>Retail holding at ~ 24%</li> <li>FPIs (incl KKR and GIC) held ~47%</li> <li>Equity Capital : ₹ 12,836 Mn via Rights issue</li> <li>PFRDA and Insurance lending enabled</li> <li>Trading lot size reduced to ONE unit</li> </ul>



**CAGR growth of ~40% in both Revenue and EBITDA**

(1) Including Kallam Transmission Ltd. which is u/c; Kallam project has ~15 ckms line and 1000MVA substation, (2) FY18 represents 10 months of operations (CAGR calculated on 10 months as base), (3) NDCF includes reserve created at SPV level, (4) Value as per independent valuation report as of 31-Dec-23, and hence excludes 300MW (AC) ReNew Solar Urja Private Limited acquired in February 2024 (5) u/c – under construction; BESS – Battery Energy Storage System

# Our Distribution Per Unit (DPU) Growth Journey

**Management Objective:** Superior Returns | Sustainable DPU | Stable Operations

## FY24 – Year of landmark acquisitions and excellent growth

- ❑ Successfully consummated solar asset acquisitions with 755 MW (AC) capacity for a cumulative EV of ₹ 55.5 billion
- ❑ Won 2 BESS and 3 transmission greenfield projects

## DPU – Stellar performance, promising outlook

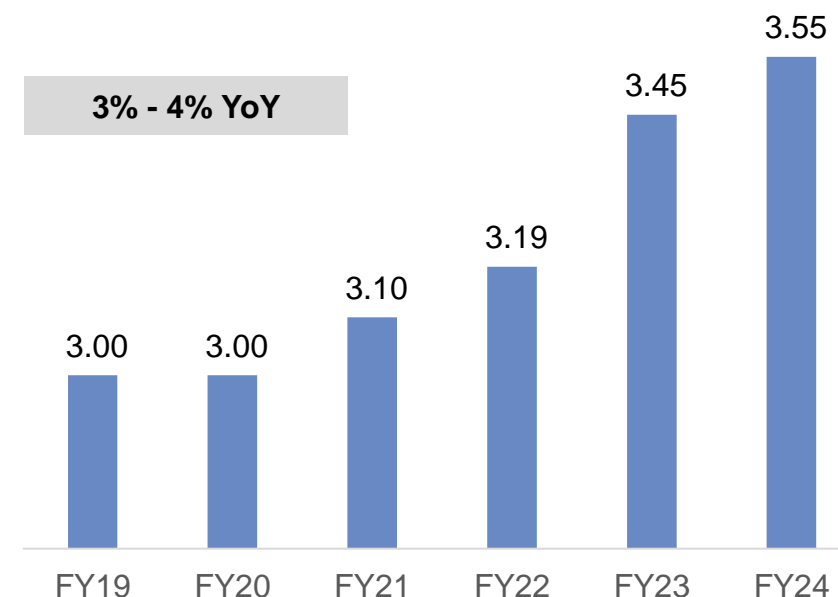
- ❑ Bumped up FY24 quarterly DPU to ₹ 3.55 from ₹ 3.45 in the first half of the fiscal
- ❑ As the full impact of FY24 acquisitions is realized, further increase in DPU to follow

## Robust Growth Strategy

- ❑ Acquire accretive operational transmission and solar assets
- ❑ Participate in right-sized transmission and BESS bids with attractive counter-parties
- ❑ Explore further adjacencies to develop capabilities for expansion

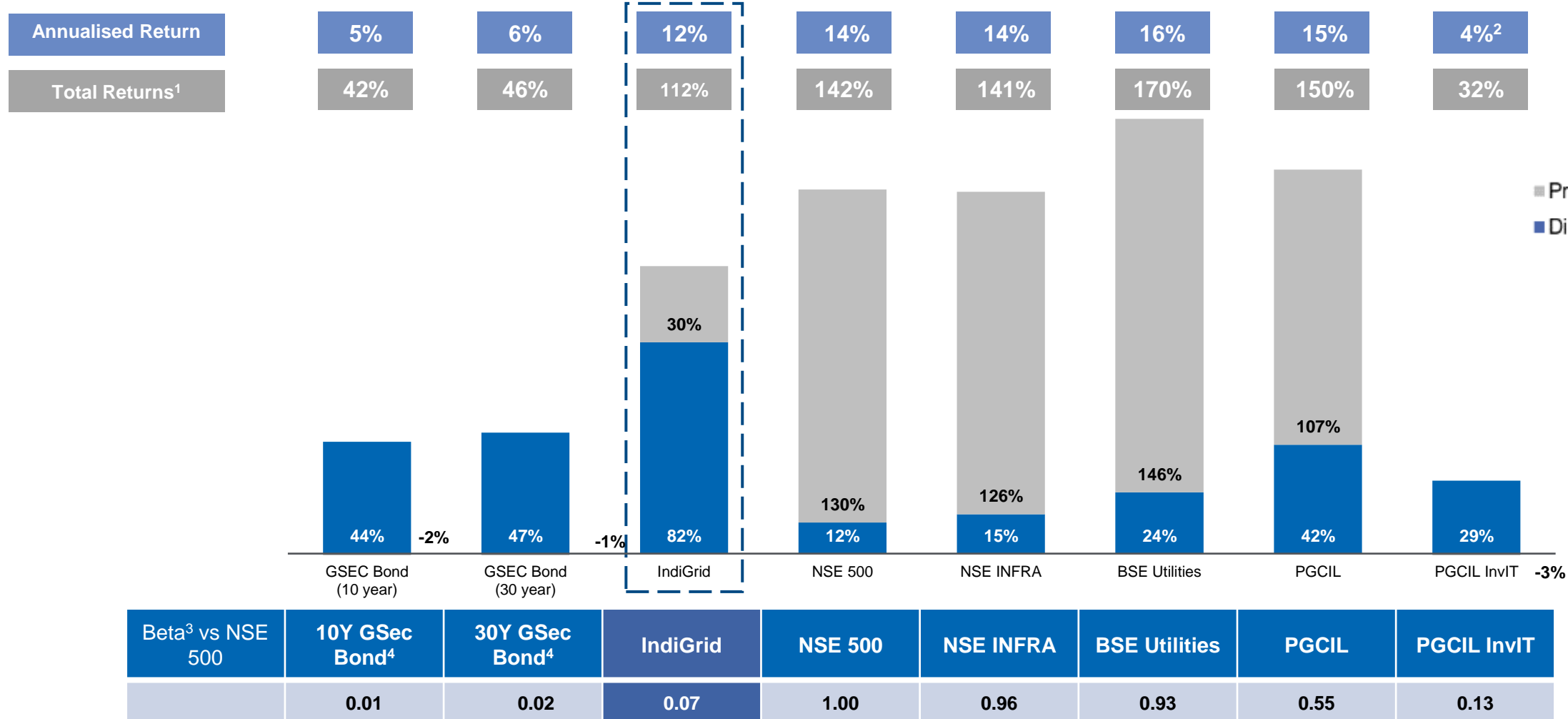
## Delivering consistent growth to Unitholders

■ Quarterly DPU (INR)



*Sustainable Returns driven by well-managed assets and consistent accretive acquisitions*

# Superior Risk-Adjusted Total Returns to Investors



Source: Bloomberg

(1) Total return is sum of all distributions since listing (Jun'17) and change in price till Dec 31, 2023

(2) PGCIL InvIT listed in May 2021

(3) Beta refers to Historical Beta calculated on a weekly basis since listing of IndiGrid to Dec 31, 2023

(4) 10Y GSec Bond refers to IGB 6.79 15/05/2027 ; 30Y to IGB 7.06 10/10/46 Corp

Consistently outperforming on a risk-adjusted basis

# Taxation of DPU (indicative information)

NATURE OF INCOME	TAXABILITY IN THE HANDS OF INVIT	TAXABILITY IN THE HANDS OF A TAX RESIDENT UNITHOLDER	TAXABILITY IN THE HANDS OF A TAX NON-RESIDENT UNITHOLDER
<b>Distribution of Interest Income earned by InvIT from underlying investment in SPVs</b>	Exempt under S.10(23FC)	Taxable at applicable tax rate (plus applicable surcharge and cess)	Taxable at concessional rate of 5% (plus applicable surcharge and cess) subject to benefit under applicable Tax Treaty**
<b>Distribution of Dividend Income earned by InvIT from underlying investment in SPVs* and units of Mutual Fund</b>	Exempt under S.10(23FC)	Exempt under section 10(23FD) in case SPV does not opt for concessional tax regime under S.115BAA	
		Taxable at applicable tax rate (plus applicable surcharge and cess)	Taxable at 20% (plus applicable surcharge and cess) subject to benefit under the applicable Tax Treaty**
<b>Capital Repayment on units</b>	Not an income for the InvIT. Hence Non-Taxable.	Refer section 56(2)(xii) of the Income Tax Act.	Refer section 56(2)(xii) of the Income Tax Act. subject to benefit under the applicable Tax Treaty**
<b>Any other Income earned by InvIT other than capital gains categorized under 111A and 112 [e.g. interest on bank deposits, capital gains, etc.]</b>	Taxable at maximum marginal rate / capital gains are taxable at 111A and 112	Exempt [S. 10(23FD)]	Exempt [S. 10(23FD)]

\*SPVs of IndiGrid (except PrKTCL) have opted for concessional tax rate regime i.e. 22% plus applicable surcharge & cess under Sec.115BAA of the IT Act . The tax obligation may vary in case the SPV acquired in future does not opt for such concessional tax regime.

\*\* The taxability position is stated as per the provisions under the IT Act. The unitholders can opt for the beneficial provisions under the Double Tax Avoidance Agreement ('DTAA') of their respective countries with India.

Source: IndiGrid Website

**Disclaimer: To understand the exact tax implication of the distribution received, unitholders are requested to seek advice from their tax advisor**

# Diversified Investor Base

Supported by marquee long term investor base

~28% owned by DIIs including insurance companies, mutual funds, pension fund and corporates

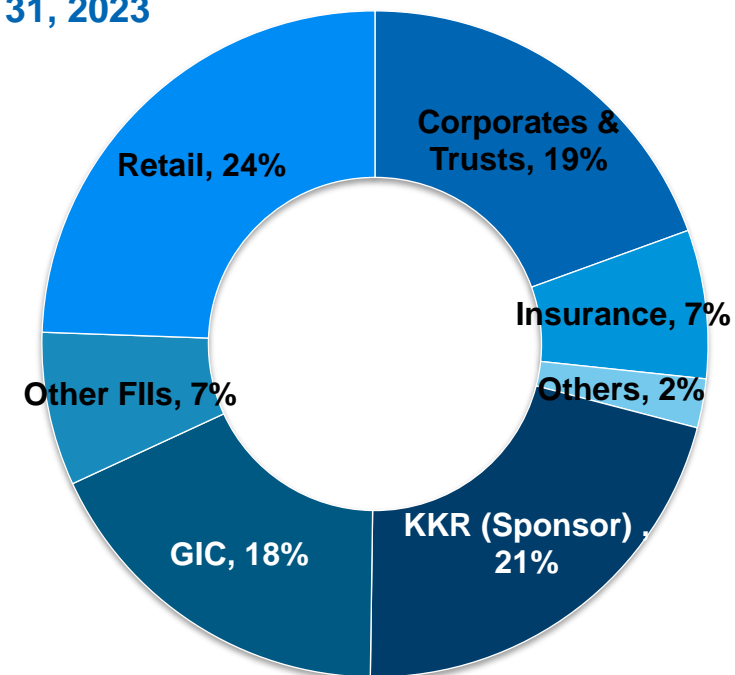
Retail Holding at ~24% ; quadrupled in value since IPO

Insurance companies and Mutual funds hold ~9% stake

Domestic Pension Funds hold ~1% stake

FII holding (incl. KKR and GIC) at ~47%

As on Dec 31, 2023





# Robust Balance Sheet

**AAA Rated**

By CRISIL, ICRA & India Ratings

**~7.60%**

Average Cost of Debt

**₹ 13.82 Bn**

Cash Balance<sup>1</sup>

**~79%**

Fixed Rate Borrowings

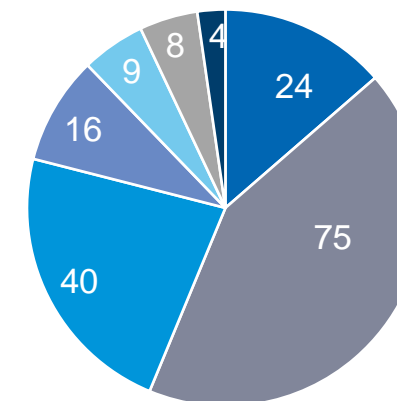
**~63%**

Net Debt/AUM

**1.94x**

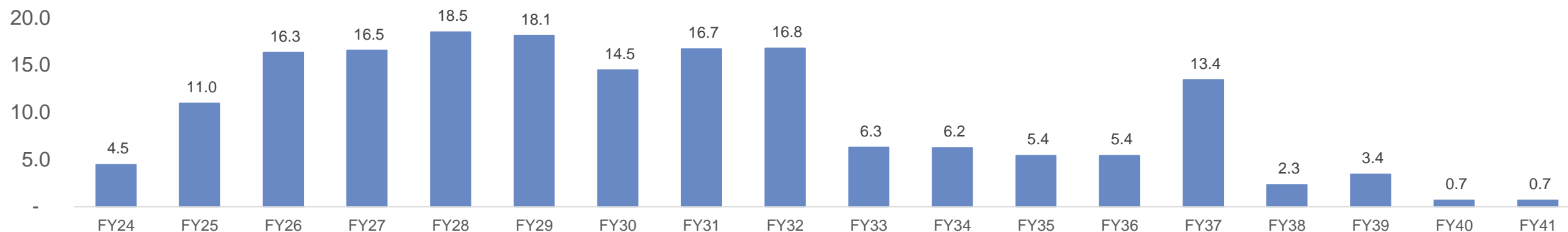
EBITDA/Interest

## Gross Borrowing ~ ₹ 177 Bn (52% NCDs, 48% Bank Loans)



- NCD-MFs
- Loan-Private Banks
- NCD-Banks & FI
- NCD-Insurance Co.
- Loan-PSU Banks
- NCD-Corporate & PF
- NCD-Retail/HNI

## Repayment/Refinancing Schedule (₹ Bn)



*Well-diversified and termed-out borrowing profile*

(1) Includes ₹ 2.8 Bn held for distribution, ₹ 4.3 Bn for DSRA/lien mark

# Business Outlook

## Portfolio Strategy

- ❑ Focus on maintaining stable operations for predictable and sustainable distribution while looking for value accretive acquisitions
- ❑ Greenfield Development – Commissioning of Kallam (Maharashtra) Project by Q4 FY24
  - ✓ Execution of augmentation work in existing transmission projects as well as the 3 new transmission projects won
  - ✓ Execution of BESS project in Delhi and Gujarat
- ❑ Proactively participate in synergistic greenfield bidding opportunities across power transmission and BESS

## Improving Balance Sheet Strength

- ❑ Focus on optimizing interest cost and elongate tenures for upcoming acquisitions over next few quarters
- ❑ Maintain adequate liquidity to mitigate any uncertainties or unpredictable scenario

## Resilient Asset Management

- ❑ Focus on maintaining 99.5% availability across portfolio and maximizing incentives
- ❑ Improve self-reliant O&M practices across the portfolio
- ❑ Utilize digital tools to assist analytics and proactive decision making
- ❑ Ensure world class EHS and ESG practices across the portfolio

# India Grid Trust – An attractive portfolio diversification opportunity





 **IndiGrid**

**THANK YOU**