# IndiGrid to Acquire Electricity Transmissions Assets Following KKR Investment

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- Asset acquisition from Sterlite Power to boost IndiGrid’s AUM to INR17,000 crores (US$2.5 billion)
- Transaction marks KKR’s first Infrastructure investment in Asia Pacific

MUMBAI--(BUSINESS WIRE)-- India Grid Trust (“IndiGrid” or the “InvIT”), India’s leading infrastructure investment trust, today announced the closing of a preference unit issuance worth INR2,514 crores (US$363 million). As part of the transaction, KKR and GIC have invested INR 1084 crores (US$157 million) and INR 980 crores (US$142 million), respectively, to collectively own 42% of IndiGrid’s outstanding units. KKR has also applied to become a Sponsor of IndiGrid and plans to acquire an additional 15% of IndiGrid’s total units from Sterlite Power. Following the closing of the transactions, KKR and GIC will collectively own approximately 57% of IndiGrid’s outstanding units.

This press release features multimedia. View the full release here: https://www.businesswire.com/news/home/20190504005008/en/

In a separate transaction, KKR will additionally acquire a majority shareholding in Sterlite Investment Managers Limited, the investment manager owned by Sterlite Power. Sterlite Power established IndiGrid in 2016 and will remain a Sponsor and Project Manager of IndiGrid.

With the capital infusion provided by the new unit issuance, IndiGrid will purchase five electricity transmission assets worth INR11,500 crores (US$1.66 billion) from Sterlite Power. A share purchase agreement for the two operational transmission assets — NRSS XXIX and OGPTL — has been signed, while three additional assets will be purchased once they become operational. IndiGrid is an infrastructure investment trust established to own inter-state power transmission assets in India. Following the completion of the proposed acquisitions, IndiGrid’s AUM will rise to INR17,000 crores (US$2.5 billion).

The InvIT currently manages a portfolio of six electricity transmission assets with a total network of power transmission lines that span more than 3,361 circuit kilometers across nine Indian states. The purchase of Sterlite Power’s electricity transmission assets will significantly expand IndiGrid’s portfolio and better enable it to address India’s infrastructure needs.

The transactions mark KKR’s first investment through its Asia Pacific Infrastructure strategy. KKR makes the investment through a proprietary investment vehicle. Each transaction is subject to customary closing conditions, including regulatory and unitholder approvals.

Harsh Shah, CEO of IndiGrid, said, “We welcome KKR, GIC and our other investors and who have showcased their confidence in IndiGrid, and we look forward to benefiting from KKR and Sterlite Power’s expertise and experience in investment and asset management. With this new capital investment, we will reach our goal of INR17,000 crores of assets under management and are well on our way to achieving INR 30,000 crores of assets under management by 2022 while also providing stable and predictable returns to our investors.”

David Luboff, Member & Head of Asia Pacific Infrastructure at KKR, added, “Asia Pacific is a core focus for KKR’s global infrastructure strategy, and India is a key market for us in the region given its dynamism, the scale of investment opportunities and its crucial need for capital solutions. We’re pleased to have chosen leading infrastructure providers like IndiGrid and Sterlite Power as our first investment behind our Asia Infrastructure strategy, and look forward to supporting IndiGrid’s growth, providing further solutions-oriented opportunities and playing an important role in addressing the infrastructure need.”

“India holds a tremendous opportunity for infrastructure investment, in the trillions of dollars in the coming decades,” added Sanjay Nayar, Member & CEO of KKR India. “We believe addressing the country’s infrastructure needs is a priority for the government, industries and communities across India alike, and we are excited to make our foray into this market and contribute as a solutions provider. IndiGrid is a well-managed infrastructure platform and Sterlite Power is a world-class asset manager. We look forward to working together with these teams to grow this platform and support infrastructure development in the coming years.”

Pratik Agarwal, Group CEO of Sterlite Power, said, “Working with an established global investor like KKR advances our mission of becoming Asia’s leading infrastructure investment trust. We believe now is the optimal time to invest in electricity transmission assets because the global clean energy revolution has created unprecedented demand for new transmission infrastructure. Our ability to grow the IndiGrid platform comes at a valuable time, and this opportunity further enables Sterlite Power to focus on its core skillset of developing greenfield assets in India, Brazil and beyond.”

Edelweiss and EY are acting as Indigrid and KKR's M&A advisors, respectively. Cyril Amarchand Mangaldas serves as Indigrid's legal counsel and PWC and EY act as Indigrid's Due Diligence and Tax advisors, respectively. AZB & Partners and Simpson Thacher & Bartlett serve as KKR's legal counsel, with EY acting as accounting and tax advisor. Khaitan & Co acts as Sterlite Power’s legal counsel.

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**About Sterlite Power**

Sterlite Power is a leading global developer of power transmission infrastructure with projects of over 12,500 circuit kms and 20,500 MVA in India and Brazil. With an industry-leading portfolio of power conductors, EHV cables and OPGW, Sterlite Power also offers solutions for upgrading, uprating and strengthening existing networks. The Company has set new benchmarks in the industry by use of cutting-edge technologies and innovative financing. Sterlite Power is also the sponsor of IndiGrid, India's first power sector Infrastructure Investment Trust ("InvIT"), listed on the BSE and NSE.

For more details, please visit www.sterlitepower.com

**About IndiGrid**

IndiGrid [BSE: 540565 | NSE: INDIGRID] is the first Infrastructure Investment Trust ("InvIT") in the Indian power sector. IndiGrid owns 6 operating projects consisting of 13 transmission lines with 3,361 ckms length and 3 substations with 7,000 MVA transformation capacity.

For more details, please visit www.indigrid.co.in

**About KKR**

KKR is a leading global investment firm that manages multiple alternative asset classes, including private equity, energy, infrastructure, real estate and credit, with strategic partners that manage hedge funds. KKR aims to generate attractive investment returns for its fund investors by following a patient and disciplined investment approach, employing world-class people, and driving growth and value creation with KKR portfolio companies. KKR invests its own capital alongside the capital it manages for fund investors and provides financing solutions and investment opportunities through its capital markets business. References to KKR's investments may include the activities of its sponsored funds. For additional information about KKR & Co. Inc. (NYSE: KKR), please visit KKR's website at www.kkr.com and on Twitter @KKR_Co.

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