

IndiGrid announces execution of share purchase agreement for acquisition of Jhajjar KT Transco Private Limited from Kalpataru Power Transmission Limited and Techno Electric & Engineering Company Limited

Key Highlights

- IndiGrid has executed share purchase agreement (“SPA”) for acquisition of 100% stake in Jhajjar KT Transco Private Limited (“JKTPL”) for ~INR 310 Cr from Kalpataru Power Transmission Limited (“KPTL”) and Techno Electric & Engineering Company Limited (“TEECL”)
- 2nd acquisition deal between IndiGrid and TEECL
- JKTPL acquisition to boost IndiGrid’s AUM to ~ INR 123 Bn (US \$ 1.6 Bn)
- 10th accretive acquisition since listing in 2017, to add ~ INR 15 Cr of net distributable cash flow per year

Mumbai, Friday, May 29, 2020: India Grid Trust (“IndiGrid”), India’s leading infrastructure investment trust, today announced the execution of SPA for acquisition of 100% stake in Jhajjar KT Transco Private Limited (“JKTPL”) from Kalpataru Power Transmission Limited (“KPTL”) and Techno Electric & Engineering Company Ltd (“TEECL”). The indicative value of the transaction is ~INR 310 Cr and is subject to certain adjustments on account of assets and liabilities at the time of closing of the transaction. The transaction is also subject to requisite approvals and compliances.

JKTPL, is an operational intra state asset awarded on a Design Build Finance Operate and Transfer (“DBFOT”) basis, with a contractual period of 25 years and a provision of further 10-year extension. It consists of three 400 KV transmission lines spread across 103 kms in Haryana with 2 substations with a transformation capacity of 830 MVA. The project has been operational for 8 years with a robust collection track record and receivable cycle of less than a month. It is a strategic asset for Haryana state distribution companies and the key evacuation transmission system from the 1,320 MW thermal power plant in Jhajjar.

This transaction with KPTL and TEECL also reinforces the opportunity to grow the IndiGrid portfolio through value accretive acquisitions of quality transmission assets. It is also the 2nd transaction with TEECL, after acquisition of Patran Transmission Company Limited (“PTCL”) in August 2018, thus further strengthening its established association with TEECL as well as beginning of a new relationship with KPTL, a reputed EPC company and developer of infrastructure assets in India.

The acquisition, expected to be consummated over next couple of months and is subject to customary closing adjustments and regulatory approvals, will be funded through a combination of debt and internal accruals. IndiGrid’s portfolio will increase to 10 power transmission projects with a total network of 23 power transmission lines that span more than 6,000 circuit kilometers across 14 states post this acquisition.

Commenting on the acquisition, Harsh Shah, Chief Executive Officer of IndiGrid, said “This acquisition is in line with our strategy to acquire accretive operational assets with long term and stable cash flows thereby growing returns for unitholders. I am very pleased to deepen our existing relationship with Techno Electric

as well as initiate our relationship with Kalpataru, both reputed EPC companies and developers of infrastructure assets in India.

Apart from third party opportunities available in the Indian transmission sector IndiGrid has another INR 65 Bn (~USD 865 Mn) pipeline of transmission projects under the framework agreement with Sterlite Power providing visibility of ~USD 2.4 Bn (INR 180 Bn) of AUM over next two years.”

JM Financial Limited acted as financial advisor and Cyril Amarchand and Mangaldas as legal advisors to IndiGrid for this transaction.

About IndiGrid:

IndiGrid [BSE: 540565 | NSE: INDIGRID] is the first Infrastructure Investment Trust (“InvIT”) in the Indian power sector. It owns nine operating projects consisting of 20 transmission lines with 5,800 circuit kms length and 4 substations with 7,735 MVA transformation capacity. IndiGrid has assets under management (AUM) worth INR 121 Bn (US\$ 1.6 Bn). IndiGrid is managed by Sterlite Investment Managers Limited which is majority owned by KKR.

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

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About Kalpataru Power Transmission Limited (KPTL)

KPTL is one of the largest and fastest growing specialized EPC companies in India engaged in power transmission & distribution, oil & gas pipeline, railways, infrastructure development, civil contracting and warehousing & logistics business with a strong international presence in power transmission & distribution. The company is currently executing several contracts in India, Africa, Middle East, CIS, SAARC and Far East.

About Techno Electric & Engineering Company Limited (TEECL)

Techno Electric and Engineering Company Limited (TEECL), headquartered in Kolkata, is a leading EPC company in the power sector. TEECL provides engineering, procurement and construction services to all the three segments of power sector namely generation, transmission and distribution. It is involved in commissioning in one capacity or other over 50% of India’s thermal power generating capacity and setting up major portion of the National Grid. With over more than three decades of rich experience in the power sector, TEECL has been the preferred vendor for all PSUs.