

Announcement of proposed acquisition

Greenko Energy Holdings through its subsidiaries is currently holding 34.31% equity stake in Sikkim Urja Limited (formerly Teesta Urja Limited) (“SUL”). SUL owns and operates a 1,200 MW hydropower project (“Teesta III Project”) in the state of Sikkim.

Sikkim Power Investment Corporation Limited (“SPICL”), which holds 60.08% in SUL is owned by the Government of Sikkim (“GoS”).

Pursuant to the share purchase agreements by which we acquired our interest in SUL, we have a right of first offer (“RoFO”) to purchase the remaining interest in SUL, if the remaining interest in SUL is to be sold to any third-party. As part of its divestment plan, and in accordance with the terms of the RoFO, the GoS has given GEPL notice of its intent to sell the shares of SUL held by SPICL after the same was approved by the State Cabinet of GoS on 3 February 2024 subject to certain terms and conditions. The Board of Directors of Greenko Energy Holdings in its recent Board meeting has approved the proposed acquisition of SPICL’s interest in SUL.

The proposed acquisition of SPICL’s interest in SUL by GEPL is subject to a number of conditions, including documentation, regulatory approvals, lenders approvals and other GoS internal approvals and there can be no assurance that GEPL will be able to acquire SPICL's interest in SUL.

The Teesta III Project commenced commercial operations during February 2017. Due to a flash flood on October 4, 2023, a rock-filled dam of SUL was breached, causing damage to various operating assets and resulting in the suspension of power generation from October 4, 2023. The extent of damage of the project assets is currently being evaluated and remediation activities are ongoing. SUL is focusing on restoration activities and is also in the process obtaining necessary regulatory clearances in this regard, to resume power generation at the earliest.

Teesta III Project is an asset with strong fundamentals. During the financial year ended March 31, 2023, the Teesta III Project has generated 6,103.0 GWh of power with revenue from operation of INR 31,085 million and EBITDA of INR 27,296 million. During the six months ended September 30, 2023, the Teesta III Project has generated 4,463.4 GWh of power with revenue from operation of INR 21,293 million. The Management is focusing on restoration of power generation in phase manner and currently expects to commence the power generation in the next 12 to 18 month time period.