

# PowerGrid to offer ₹10,384 cr of assets in InvIT next week

## POWER GRID ASSETS TO BE OFFERED TO PG INVIT

**₹2,338.5 crore** POWERGRID Vizag Transmission Limited

**₹4,80.5 crore** POWERGRID Kala Amb Transmission Limited

**₹2,710 crore** POWERGRID Parli Transmission Limited

**₹3,031.1 crore** POWERGRID Warora Transmission Limited



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New Delhi, 23 April

India's largest power transmission company, state-owned Power Grid Corporation of India (PGCIL), will launch its Infrastructure Investment Trust (InvIT) on April 29 — a first for any government sector company.

After IndiGrid and IRB InvIT fund, this will be the third publicly listed InvIT for the country and the second in the power transmission sector.

The firm, in its regulatory filings with Sebi, said that its issue comprises ₹4,994 crore of fresh issuance and an offer for sale, the amount of which was undisclosed.

“The selling unitholder will be entitled to the proceeds of the offer for sale and the proceeds received from the offer for sale will not form part of the offer proceeds. The Trust will not receive any proceeds from the Offer for Sale,” said the filing by PGCIL.

The offer will close on May 3, 2020. PGCIL has offered five ‘initial portfolio assets’ at an enterprise value of ₹10,384 crore for the proposed Power Grid InvIT (PGInvIT).

This is the first InvIT to be launched by a public sector company. The NHA, which is another public sec-

tor company which has filed a draft prospectus for an InvIT is yet to announce a launch date.

The proceeds of the fresh issue in PGInvIT will be up to ₹4993.5 crore and will be utilised — “providing loans to the Initial Portfolio Assets for repayment or pre-payment of debt, including any accrued interest, availed by the Initial Portfolio Assets; and general purposes,” said the filing by the company.

The Union Cabinet in September 2020 approved monetisation of assets of PGCIL through the InvIT model.

“This approval would help PGCIL to monetise in the first lot, assets with gross block value of more than ₹7,000 crore. These assets, which are mainly High Voltage Transmission lines and substations, are held by PGCIL in the form of Special Purpose Vehicles (SPVs). The proceeds from the asset monetization would be deployed by PGCIL in their new and under-construction projects,” it said.

The government statement said, in the first block, PGCIL would monetize assets with gross block of more than ₹7,000 crore and based on the experience gained, further monetisation shall be carried out in future.