

National Stock Exchange of India Limited
Exchange Plaza, Plot No. C/1, G Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai – 400 051

BSE Limited
Floor 25, P J Towers,
Dalal Street,
Mumbai – 400 001

Dear Sir / Madam,

Sub: Regulation 30 of SEBI (LODR) Regulations, 2015 - Investment agreement to acquire securities of Ganga STP Project Private Limited, a wholly owned subsidiary of the Company & Execution of Financing Documents for KMDA Project with Lenders

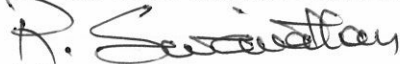
Ref: NSE Symbol: WABAG / BSE Scrip Code: 533269

- 1) This is to inform you that the Board of Directors ("**Board**") of the Company in its meeting held on the 17th February, 2021 has approved the further investment in Ganga STP Project Private Limited, a wholly owned subsidiary of the Company. The details as required under the Regulation 30 of SEBI (LODR) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ CMD/ 4/2015 dated September 09, 2015, are enclosed as **Annexure – A**.
- 2) The Board has also approved Execution of Investment Agreement between VA Tech Wabag Limited, ("**Company**"), Kathari Water Management Private Limited ("**Kathari**") and Ganga STP Project Private Limited ("**Ganga STP**"). The broad terms and conditions of the Investment Agreement as per Regulation 30 of SEBI (LODR) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ CMD/ 4/2015 dated September 09, 2015, are enclosed as **Annexure - B**.
- 3) The Board has also approved Execution of Financing Documents between VA Tech Wabag Limited, ("**Company**"), International Finance Corporation ("**IFC**"), Tata Cleantech Capital Limited ("**TCCL**"), Kathari Water Management Private Limited ("**Kathari**") and Ganga STP Project Private Limited ("**Ganga STP**"), amongst other parties. The broad terms and conditions of the Financing Documents as per Regulation 30 of SEBI (LODR) Regulations, 2015, read with SEBI Circular No. CIR/CFD/ CMD/ 4/2015 dated September 09, 2015, are enclosed as **Annexure - C**.

Kindly take note of the above.

Thanking you,

For VA TECH WABAG LIMITED



R Swaminathan

Company Secretary & Compliance Officer

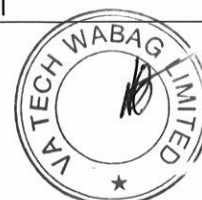
Membership No: A17696

Encl: as above



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Acquisition (including agreement to acquire)		
Sl. No	Particulars	Details
1	Name of target entity, details in brief such as size, turnover, etc.	GANGA STP PROJECT PRIVATE LIMITED Paid Up capital - INR 1,00,000/- Turnover- FY 2019 – 20 Nil
2	Whether the acquisition would fall within related party transaction(s) and whether the promoter/promoter group/group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	Although the transaction is done with the related party of the Company (i.e. wholly owned subsidiary of the Company), but the transaction does not fall under the related party transactions as defined under section 188(1)(a) to (g) of the Companies Act, 2013.
3	Industry to which the entity being acquired belongs	Infrastructure sector – Construction of Water / Wastewater Treatment plants
4	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity)	The Company had incorporated Ganga STP Project Private Limited, wholly owned subsidiary of Company, (“ Ganga STP ”) for setting up of Sewage Treatment Plant in the Kolkata Metropolitan Development Authority Area (“ Project ”). The Company intends to make further Investment in Ganga STP for the purpose of financing of the Project.
5	Brief details of any governmental or regulatory approvals required for the acquisition	NA
6	Indicative time period for completion of the acquisition	Will be as per the terms agreed in the Investment Agreement between Parties and Financing Documents with Lenders
7	Nature of consideration -whether cash consideration or share swap and details of the same	As per the terms of the Investment Agreement
8	Cost of acquisition of the price at which the shares are acquired	As per the investment agreement, an amount upto about Rs.71 crores will be jointly invested by the Company and Kathari Water Management Private Limited (“ Kathari ”), in one or more tranches, by way of Equity Shares, Compulsorily Convertible Preference Shares and Non-Convertible Debentures .
9	Percentage of shareholding/control acquired and / or number of shares acquired	The exact number of shares to be invested is in discussion and yet not finalized.
10	Brief background about the entity acquired in terms of products/line of business acquired, date of incorporation, history of last 3 years turnover, country in which the acquired entity has presence and any other significant information (In brief)	The company was incorporated on April 5 th 2019, in the state of Tamil Nadu, India, to carry on the business as promoters, developers, builders, operators, owners, contractors, organizers of all types of projects in connection with sewage/sludge/effluent treatment, water treatment/ supply and operation and maintenance of these infrastructure, integrated water supply schemes and to build, own, operate and maintain all associated infrastructure for operation of water projects and to enter into an agreement with Government or Semi or quasi Government or local authorities/ bodies or private entities for the same. History/ Turnover FY 2019 - 20 (05-04-2019 to 31-03-2020): Nil



Execution of Investment Agreement with Kathari		
Sl. No	Particulars	Details
1	Name(s) of parties with whom the agreement is entered	Between VA Tech Wabag Limited, (Company), Kathari Water Management Private Limited (" Kathari ") and Ganga STP Project Private Limited (" Ganga STP/ Investee Company ")
2	Purpose of entering into the agreement	The Investment Agreement proposed to be executed records (i) the terms and conditions on which the investments will be made in Ganga STP by Kathari and the Company, and (ii) the rights and obligations of the shareholders of Ganga STP and the terms governing the management and control of Ganga STP.
3.	Size of Agreement	As per the investment agreement, an amount upto about Rs.71 crores will be jointly invested by the Company and Kathari Water Management Private Limited (" Kathari "), in one or more tranches, by way of Equity Shares, Compulsorily Convertible Preference Shares and Non-Convertible Debentures.
4	Shareholding, if any, in the entity with whom the agreement is executed;	The Company is holding 99.99% shares in Ganga STP and do not hold any shares in Kathari
5	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Parties to the Agreement: (a) the Company (b) Kathari (c) Ganga STP Scope of the Agreement: The investment agreement proposed to be executed records (i) the terms and conditions on which the investments will be made in Ganga STP by Kathari and the Company, and (ii) the rights and obligations of the shareholders of Ganga STP and the terms governing the management and control of Ganga STP Board: Each of Kathari and the Company have the right to appoint 1 (one) director each on the board of Ganga STP Reserved Matters: Both Kathari and the Company have certain veto rights in respect of the affairs of Ganga STP such as, <i>inter alia</i>, (i) changes to the charter documents and/or the constitution of the board or committees; (ii) any change in the authorized capital; (iii) any alteration or change in the rights, privileges or preferences of any securities that can impact the rights, privilege or preference of any securities held by the shareholders; (iv) change in the business; (v) entry into Related Party Transactions, etc. Pre-emptive rights: Both Kathari and the Company have the right to subscribe to their pro-rata share of any new securities proposed to be issued by Ganga STP in the ratio of the economic interests held by Kathari and the Company in Ganga STP. A lock-in on transfers and creation of encumbrances is applicable on the shares of the Company in Ganga STP, consistent with the concession agreement executed by Ganga STP with the tendering authority (i.e. KMDA) in relation to the sewage treatment project being undertaken by Ganga STP. The lock-in is applicable on the Company in its capacity as a sponsor of such project. The Company has a tag-along right in case Kathari transfers any of the securities held by it in Ganga STP.



Sl. No	Particulars	Details
6	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Ganga STP is a wholly owned Subsidiary of the Company.
7	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Although the transaction is done with the related party of the Company (i.e. wholly owned subsidiary of the Company), but the transaction does not fall under the related party transactions as defined under section 188(1)(a) to (g) of the Companies Act, 2013.
8	In case of issuance of shares to the parties, details of issue price, class of shares issued	The Project Cost will be financed by way of equity and non-equity contribution by the Shareholders, Project Financing from Lenders, and the Grant from Authority. Shareholders shall invest, in one or more tranches, by way of Equity Shares, Compulsorily Convertible Preference Shares and Non-Convertible Debentures, as per the terms of the investment agreement.
9.	in case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;	NA
10	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc	NA. There is no potential conflict of interest arising pursuant to the Investment Agreement to be executed between the parties.
11	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s).	NA



Execution of Financing Document with International Finance Corporation and Tata Cleantech Capital Limited		
Sl. No	Particulars	Details
1	Name(s) of parties with whom the agreement is entered	Between VA Tech Wabag Limited, (" Company "), International Finance Corporation (" IFC "), Tata Cleantech Capital Limited (" TCCL ") (IFC and TCCL jointly referred as " Lenders "), Kathari Water Management Private Limited (" Kathari ") and Ganga STP Project Private Limited (" Borrower ")
2	Purpose of entering into the agreement	The Company had incorporated Ganga STP Project Private Limited, as a wholly owned Subsidiary of Company, for setting up of Sewage Treatment Plant in the Kolkata Metropolitan Development Authority Area (" Project "). The Company intends to enter into Financing Documents with IFC, TCCL, Kathari and Borrower in relation to funding of the Project.
3	Size of Agreement	Upto an amount of about INR 176 crore, which will be funded jointly by IFC and TCCL to the Borrower.
4	Shareholding, if any, in the entity with whom the agreement is executed;	The Company is holding 99.99% shares in the Borrower entity and do not hold any shares in IFC, TCCL and Kathari
5	Significant terms of the agreement (in brief) special rights like right to appoint directors, first right to share subscription in case of issuance of shares, right to restrict any change in capital structure etc.	Rights of the Lenders/ Other Obligations: Conversion Rights to TCCL Right to appoint nominee Directors by Lenders in case of Event of Default (EOD) Substitution Rights replacing the Concessionaire (Ganga STP) Sponsors (Company and Kathari) to Contribute further funding in case of shortfall in funding of the Project. Standard affirmative covenants in relation to use of proceeds, compliance with laws appointment of auditors, preparation of accounts etc. by the Borrower have been included in the Financing Documents. Standard negative covenants in relation to declaration of dividends, capital expenditure, formation of subsidiaries, changes in charter documents etc. by the Borrower have been included in the Financing Documents.
6	Whether, the said parties are related to promoter/promoter group/ group companies in any manner. If yes, nature of relationship	Ganga STP Project Private Limited, is a wholly owned Subsidiary of Company
7	Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arms length"	Although the transaction is done with the related party of the Company (i.e. wholly owned subsidiary of the Company), but the transaction does not fall under the related party transactions as defined under section 188(1)(a) to (g) of the Companies Act, 2013.
8	In case of issuance of shares to the parties, details of issue price, class of shares issued	NA



Sl. No	Particulars	Details
9	In case of loan agreements, details of lender, nature of the loan, total amount of loan granted, total amount outstanding, date of execution of the loan agreement/sanction letter, details of the security provided to the lenders for such loan;	Name of Lenders: International Finance Corporation (IFC) / Tata Cleantech Capital Limited (TCCL) Name of Borrower: Ganga STP Project Private Limited Nature of Loan: Non-Convertible Debentures/Rupee Term Loan Amount of Loan: Up to an amount of about Rs.176 crores jointly by IFC and TCCL Total Amount Outstanding: Fresh Loan Date of Execution of the Loan Agreement: On or Before February 17, 2021 Details of Security Provided to the lenders for such loan: All the assets, rights of the Borrower/ Sponsors in the Project
10	Any other disclosures related to such agreements, viz., details of nominee on the board of directors of the listed entity, potential conflict of interest arising out of such agreements, etc.	NA. There is no potential conflict of interest arising out of the execution of the Financing Documents.
11	in case of termination or amendment of agreement, listed entity shall disclose additional details to the stock exchange(s)	NA

