

POLICY ON MATERIAL SUBSIDIARIES INDIGRID INFRASTRUCTURE TRUST

A. REGULATORY FRAMEWORK

1. This policy (“**Policy**”) of IndiGrid Infrastructure Trust (formerly known as India Grid Trust) (“**IndiGrid**”) has been prepared and adopted by the Board of Directors of IndiGrid Investment Managers Limited, Investment Manager of IndiGrid, in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI LODR**”), SEBI (Infrastructure Investment Trusts) Regulations, 2014 (“**SEBI InvIT Regulations**”) and the Companies Act, 2013 (“**Act**”) read with the Companies (Amendment) Act, 2017 along with circulars issued thereunder, including any statutory modifications or re-enactments thereof for the time being in force.
2. Regulation 16 (1) (c) of SEBI LODR requires the Board of Directors of Investment Manager of IndiGrid to formulate a policy for determining ‘material’ subsidiary and SEBI InvIT Regulations requires the IndiGrid to publish such policy on its website.
3. All words and expressions used in this Policy, unless defined hereafter, shall have meaning respectively assigned to them under SEBI LODR or SEBI InvIT Regulations and in the absence of its definition or explanation therein, as per the Companies Act, 2013 (“**Act**”) and the Rules, Notifications and Circulars issued thereunder, as amended from time to time.

B. DEFINITIONS

- a. “**Audit Committee**” means the committee constituted by the Board of Directors of Investment Manager in accordance with section 177 of the Act and regulation 18 of SEBI LODR.
- b. “**Investment Manager**” means IndiGrid Investment Managers Limited
- c. “**Independent director**” means a director of the Investment Manager, not being a whole-time director and who is not associated to the Sponsor of the IndiGrid and who satisfies other criteria for Independence in accordance with section 149 the Act and regulation 16(1) (b) of SEBI LODR.
- d. “**Significant transaction or arrangement**” means any individual transaction or arrangement that exceeds or is likely to exceed ten percent (10%) of the total revenues or total expenses or total assets or total liabilities, as the case may be, of the unlisted subsidiary for the immediately preceding accounting year.
- e. “**Subsidiary**” or “**Subsidiaries**” means HoldCos or SPVs as defined under SEBI InvIT Regulations.

C. OBJECTIVES OF THE POLICY

The objective of this policy is to determine the following:

1. MEANING OF MATERIAL SUBSIDIARY

- i. “**Material Subsidiary**” means a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the IndiGrid and its subsidiaries in the immediately preceding accounting year.

2. REQUIREMENT OF INDEPENDENT DIRECTOR IN CERTAIN UNLISTED MATERIALSUBSIDIARIES

- i. At least one independent director on the Board of Directors of the Investment Manager shall be a director on the board of directors of an unlisted material subsidiary, whether incorporated in India or not.
- ii. For the purposes of this provision, notwithstanding anything to the contrary contained in this Policy, the term “**material subsidiary**” means a subsidiary, whose income or net worth exceeds twenty percent (20%) of the consolidated income or net worth respectively, of the IndiGrid and its subsidiaries in the immediately preceding accounting year.

3. RESTRICTION ON DISPOSAL OF SHARES OF MATERIAL SUBSIDIARY BY THE INDIGRID

- i. The IndiGrid shall not dispose of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than fifty percent (50%) or cease the exercise of control over the subsidiary without passing a special resolution in a General Meeting of its Unitholders except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal

4. RESTRICTION ON TRANSFER OF ASSETS OF MATERIAL SUBSIDIARY

- i. The IndiGrid shall not sell, dispose and lease assets amounting to more than twenty percent (20%) of the assets of the material subsidiary on an aggregate basis during a financial year without taking prior approval of Unitholders by way of special resolution, unless the sale/disposal/lease is made under a scheme of arrangement duly approved by a Court/Tribunal.

5. DISCLOSURE REQUIREMENTS UNDER SEBI LODR

- i. The Audit Committee of the Investment Manager shall review the financial statements, particularly the investments made by the unlisted subsidiary.
- ii. The minutes of the meeting of the board of directors of the unlisted subsidiary shall be placed at the meeting of the Board of Directors of the Investment Manager.
- iii. The management of the unlisted subsidiary shall periodically bring to the notice of the Board of the Directors of the Investment Manager, a statement of Significant transaction and arrangement entered into by the unlisted subsidiary.
- iv. The IndiGrid and its material unlisted subsidiaries incorporated in India shall undertake secretarial audit and shall annex with its annual report, a secretarial audit report, given by a company secretary in practice, in such form as may be prescribed from time to time.
- v. The IndiGrid shall disclose this Policy on the IndiGrid’s website and a web link thereto shall be provided in the Annual Report.

D. AMENDMENTS

The Board of Investment Manager on recommendation of Audit Committee and subject to applicable laws, amend any provision(s) or substitute any of the provision(s) with the new provision(s) or replace the Policy entirely with a new Policy, as it may deem necessary.

The Board may also establish further rules and procedures, from time to time, to give effect to this Policy and to ensure the objective of good corporate governance.

E. SCOPE AND LIMITATIONS

In the event of any conflict between the provisions of this Policy and of the Act or Regulations or any other statutory enactments, rules, the provisions of such Act or Regulations or statutory enactments, rules shall prevail over this Policy. Any subsequent amendment / modification in the Regulations, Act and/or applicable laws in this regard shall automatically apply to this Policy.