

BORROWING POLICY
INDIA GRID TRUST

A. **Preamble:** The Trust Deed dated October 21, 2016 in relation to the India Grid Trust (“**Trust**”) empowers the Trustee to, on behalf of the Trust, to borrow monies. Further, pursuant to the Investment Management Agreement dated November 10, 2016, as amended by an amendment agreement dated December 1, 2016, the Trustee has empowered Sterlite Infraventures Limited (“**Investment Manager**”) to borrow monies, upon such terms and conditions as it thinks fit, as per the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (“**InvIT Regulations**”), in order to meet any liabilities, for undertaking any investments/ acquisitions or meet any obligations of the Trust. Accordingly, the Investment Manager has formulated this Borrowing Policy (“**Policy**”) to outline the process for borrowing monies in relation to the Trust.

B. The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations. The InvIT Regulations presently provide for the following:

Borrowings and deferred payments

20. (1) The aggregate consolidated borrowings and deferred payments of the InvIT, holdco and the SPVs, net of cash and cash equivalents shall never exceed forty nine per cent. of the value of the InvIT assets.

(2) If the aggregate consolidated borrowings and deferred payments of the InvIT, holdco and the SPVs, net of cash and cash equivalents exceed twenty five per cent. of the value of the InvIT assets, for any further borrowing,—

(a) credit rating shall be obtained from a credit rating agency registered with the Board; and

(b) approval of unit holders shall be obtained in the manner as specified in regulation 22.

(3) If the conditions specified in sub-regulations (1) and (2) are breached on account of market movements of the price of the underlying assets or securities, the investment manager shall inform the same to the trustee and ensure that the conditions are satisfied within six months of such breach.

C. The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds five percent of the total consolidated borrowings of the Trust, the holding companies and the special purpose vehicles, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22.

D. The Trust shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India.

E. The Trust also has the power to create, mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Investment Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Trust.

- F. Any such obligation will not allow the Investment Manager to make the liabilities of the Trust or its Unitholders unlimited.
- G. The Investment Manager shall be permitted to borrow monies in relation to the Trust, subject to the approval of its board of directors or such other committee of the board of directors of the Investment Manager as may be constituted in this regard.
- H. In addition to the above, any borrowing by the special purpose vehicles, incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with the conditions prescribed therein.
- I. Any variation of this Policy shall be only with the approval of the Unitholders of the Trust and in accordance with the InvIT Regulations.
- J. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Trust.

Adopted by the Board of Directors of Sterlite Infraventures Limited on behalf of the Trust March 18, 2017.

Certified True Copy

Authorised Signatory