

**POLICY ON RELATED PARTY TRANSACTIONS
INDIA GRID TRUST**

- A. **Preamble:** The board of directors of IndiGrid Investment Managers Limited (the “**Board**”), the investment manager to the India Grid Trust (the “**Investment Manager**”) has adopted the following policy and procedures (the “**Policy**”) with respect to related party transactions (as defined below) and conflict of interest situations, in terms of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, including any rules, circulars, guidelines or notifications issued thereunder (“**InvIT Regulations**”) and applicable law including SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. The audit committee of the Investment Manager (the “**Audit Committee**”) may, from time to time, review, and recommend amendments to the Policy to the Board. The Board may amend the Policy from time to time, subject to applicable law.

The Policy is adopted to regulate the transactions of the India Grid Trust (“**Trust**”) with its Related Parties (as hereinafter defined), based on the laws and regulations applicable to the Trust and best practices.

- B. **Objectives:** The objective of the Policy is to ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties.

C. **Definitions**

- (i). “**Associate**” of any person shall have the meaning ascribed to such term under the InvIT Regulations.
- (ii). “**Audit Committee**” or “**Committee**” means the committee constituted by the Board of Directors of the Investment Manager, from time to time.
- (iii). “**Director**” means a director on the board of directors of the Investment Manager.
- (iv). “**Investment Manager**” means IndiGrid Investment Managers Limited, the investment manager of the Trust.
- (v). “**Issue**” means the offer, issue and allotment of Units (as hereinafter defined) to eligible investors on a public offer, as applicable, pursuant the InvIT Regulations.
- (vi). “**Project Manager**” means Sterlite Power Transmission Limited and IndiGrid Limited, the project manager of the Trust.
- (vii). “**SPV**” shall have the meaning ascribed to such term in the InvIT Regulations.
- (viii). “**Related Party of the Trust**”/ “**Related Parties**” shall be as defined under the Companies Act, 2013 or under applicable accounting standards and shall also include (i) the Sponsor, the Investment Manager, the Project Manager and the Trustee; (ii) any promoter, director and partner of persons mentioned in clause (i) above.
- (ix). “**Related Party Transactions**” shall mean any transactions between the Trust and any Related Party of the Trust. Further, any transaction between the Trust and one or more infrastructure investment trusts having a common investment manager or sponsor, or a transaction where the Investment Manager or the Sponsor is an Associate of the investment manager or sponsor of the other infrastructure investment trust(s), shall be deemed to be related party transactions for such parties.

- (x). “**Sponsor**” means Sterlite Power Transmission Limited and Esoteric II Pte. Ltd., the sponsor of the Trust.
- (xi). “**Trustee**” means Axis Trustee Services Limited, the trustee to the Trust.
- (xii). “**Unit**” shall mean an undivided beneficial interest in the InvIT, and such Units together represent the entire beneficial interest in the InvIT.
- (xiii). “**Unitholder**” means any person holding Units of the Trust.

D. Policy

- (i) In accordance with the InvIT Regulations, the Investment Manager will ensure that all Related Party Transactions shall be:
 - (a). on an arm’s length basis;
 - (b). in accordance with the relevant accounting standards;
 - (c). in the best interest of the Unitholders;
 - (d). consistent with the strategy and investment objectives of the Trust; and
 - (e). compliant with applicable law.
- (ii) In the event Related Party Transactions are proposed to be entered into after the Issue, Unitholders’ approval shall be obtained in accordance with Regulation 22 of the InvIT Regulations, prior to entering into any such transaction if:
 - (a). the total value of all the Related Party Transactions, in a financial year, pertaining to acquisition or sale of assets, whether directly or through the holding companies (the “**HoldCos**”) or the SPVs, or investments into securities exceeds five per cent. of the value of the assets of the Trust; or
 - (b). the value of the funds borrowed from the Related Parties, in a financial year, exceeds five per cent. of the total consolidated borrowings of the Trust, the HoldCos and the Project SPVs.

It is hereby clarified that voting by:

- (a). any Unitholder who is, or may be deemed to be interested in a particular Related Party Transaction; or
- (b). any Unitholder who is a related party with respect to a Related Party Transaction, as well as the voting by the Associates of such Unitholder,

shall not be considered on such Related Party Transaction.

- (iii) The Investment Manager will establish an internal control system so as to ensure that Related Party Transactions are compliant with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with

any additional guidelines issued in this regard by SEBI and other relevant regulatory or governmental authorities from time to time.

- (iv) In addition to any other requirement that may be prescribed in terms of the InvIT Regulations or other applicable laws, all Related Party Transactions to be entered into will be:
 - (a). decided by a majority vote of the Board, including the vote of at least two independent directors; and
 - (b). reviewed approved and/or ratified by the Committee.
- (v) As a general rule, the Investment Manager must demonstrate to the Committee that Related Party Transactions satisfy the criteria set out in Paragraph D(i) at the time of recommending the same for the approval of the Committee.
- (vi) The Investment Manager will maintain a register to record all Related Party Transactions entered into by the Trust and the basis on which they are entered into.
- (vii) The Investment Manager will also incorporate into its internal audit plan a review of all Related Party Transactions entered into by the Trust during each financial year.
- (viii) The Committee shall review at least quarterly in each financial year the Related Party Transactions entered into during such quarter to ascertain that the guidelines and procedures established to monitor the Related Party Transactions have been complied with.
- (ix) The review by the Committee will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Committee, including the following. Any member of the Committee or Board Member who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion and review/ voting of the Related Party Transaction.

E. Potential Conflict of Interest

- (i) All resolutions in writing of the Board in relation to matters concerning related party transactions of the Trust must be approved by a majority of the Directors, including at least two independent Directors.
- (ii) Where matters concerning Trust relate to transactions entered into or to be entered into by the Investment Manager for and on behalf of Trust with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out in paragraph D(i).

F. Disclosure and Reporting

- (i) The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, including the status of compliance with the requirements specified under the InvIT Regulations in relation to Related Party Transactions, within such time as may be prescribed in the InvIT Regulations, and applicable law.
- (ii) Related Party Transactions shall be disclosed to the Stock Exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreement to be entered into with the stock exchanges in relation to the listing of the Units. The Investment Manager shall

adequately disclose the details of any fees or commissions received or to be received by any person or entity which is an associate of the Related Party to the stock exchanges.

- (iii) In terms of the InvIT Regulations, the annual report to be submitted by the Investment Manager to all Unitholders, electronically or by physical copies, and to the Stock Exchanges within three months from the end of the financial year, shall contain, *inter alia*, details of all related party transactions, including acquisitions or disposal of any projects, directly or through the HoldCos or SPVs during the year, the value of which exceeded 5% of value of the assets of the Trust.
- G. 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 IndiGrid Investment Managers Limited on behalf of the Trust on March 18, 2017 (Amended on October 27, 2021).