



India Grid Trust

(Registered in the Republic of India as an irrevocable trust under the Indian Trusts Act, 1882, on October 21, 2016, and as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on November 28, 2016, having registration number IN/InvIT/16-17/0005 at New Delhi).

Principal Place of Business: Unit No. 101, First Floor, Windsor, Village KoleKalyan, Off CST Road, Vidyanagari Marg, Kalina, Santacruz East, Mumbai 400 098

Tel: +91 22 6924 1311; **Compliance Officer:** Urmil Shah

E-mail: complianceofficer@indigrid.com; **Website:** www.indigrid.co.in

TRUSTEE	SPONSOR	INVESTMENT MANAGER
Axis Trustee Services Limited	Esoteric II Pte. Ltd.	IndiGrid Investment Managers Limited

ISSUE OF [●] UNITS[^] (THE “UNITS”) REPRESENTING AN UNDIVIDED BENEFICIAL INTEREST IN INDIA GRID TRUST (“INDIGRID” OR THE “TRUST”) BY WAY OF AN INSTITUTIONAL PLACEMENT TO ELIGIBLE INVESTORS, AT A PRICE OF ₹ [●] PER UNIT (“ISSUE PRICE”), AGGREGATING TO ₹ [●] MILLION BY THE TRUST (THE “ISSUE”)

[^] THE BOARD OF DIRECTORS OF THE INVESTMENT MANAGER (“IM BOARD”) BY WAY OF ITS RESOLUTION DATED MAY 12, 2023 AND THE UNITHOLDERS OF INDIGRID BY WAY OF THEIR RESOLUTION DATED JUNE 6, 2023, HAVE APPROVED THE ISSUE.

THE ISSUE WILL BE MADE ONLY TO ELIGIBLE INVESTORS IN RELIANCE UPON CHAPTER 7 ON ‘GUIDELINES FOR PREFERENTIAL ISSUE AND INSTITUTIONAL PLACEMENT OF UNITS BY LISTED INVITS’ OF SEBI MASTER CIRCULAR NO. SEBI/HO/DDHS/DDHS-PoD-2/P/CIR/2023/115 DATED JULY 6, 2023, AS AMENDED FROM TIME TO TIME (“SEBI INSTITUTIONAL PLACEMENT GUIDELINES”) AND THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED (“INVIT REGULATIONS”). NO OFFER IS BEING MADE TO THE PUBLIC OR ANY OTHER CLASS OF INVESTORS.

NOTICE TO ELIGIBLE INVESTORS DATED DECEMBER 6, 2023 (“NOTICE TO INVESTORS”)

This Notice to Investors is with reference to the Preliminary Placement Document dated December 5, 2023 (“Preliminary Placement Document”), filed with the Stock Exchanges to bring to Eligible Investors’ attention the following changes in Annexure B of the Preliminary Placement Document:

- On page 1017 of the pdf. under the heading *Impairment of investments in subsidiaries and loans given to subsidiaries*, “(as described in notes X, X, X and XX of the standalone financial statements)” shall stand replaced by “(as described in notes 5, 6, 7 and 25 of the standalone financial statements)”.
- On page 1017 of the pdf. under the heading *Impairment of investments in subsidiaries and loans given to subsidiaries*, “The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to Rs. XXXX million as at March 31, 2022. The value of investments and loans in aggregate comprise XX% of total assets in the Balance Sheet” shall stand replaced by “The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to Rs. 1,81,442.47 million as at March 31, 2022. The value of investments and loans in aggregate comprise 93% of total assets in the Balance Sheet”.
- On page 1018 of the pdf. under the headings *Classification of unit holders’ funds as equity and Disclosures relating to Statement of Net Assets at Fair Value* and *Statement of Total Returns at Fair Value as per InvIT regulations*, “(as described in Note XX of the standalone financial statements)” shall stand replaced by “(as described in Note 25 of the standalone financial statements)”.
- On page 1021 of the pdf., the Place of Signature shall be included, being, “Pune”.
- On page 1021 of the pdf., the date, 20 May 2022 shall be replaced by “May 20, 2022”.

Accordingly, Eligible Investors should note that pages 1017, 1018 and 1021 of the Preliminary Placement Document (*of the pdf.*) shall stand replaced with the original pages having the content as given in **Annexure A** of this Notice to Investors.

The Preliminary Placement Document shall be read in conjunction with this Notice to Investors and the Preliminary Placement Document stands amended to the extent of the information stated above. All references to the Preliminary Placement Document shall be construed to include this Notice to Investors. All relevant changes shall be updated in the Placement Document, as and when delivered to the Stock Exchanges.

All capitalised terms used in this Notice to Investors shall unless the context otherwise requires, have the same meanings as ascribed in the Preliminary Placement Document.

The Preliminary Placement Document together with this Notice to Investors is not an offer to subscribe to or sell any Units and is not soliciting an offer to subscribe or buy the Units in any jurisdiction where such offer, subscription or sale is not permitted.

PLACEMENT AGENTS				REGISTRAR TO THE ISSUE
Axis Capital Limited	Ambit Private Limited	HSBC Securities and Capital Markets (India) Private Limited	SBI Capital Markets Limited	KFin Technologies Limited

For IndiGrid Investment Managers Limited

Sd/-

Harsh Shah

Chief Executive Officer and Whole-Time Director

Place: Mumbai

Date: December 6, 2023

ANNEXURE A

(The remainder of this page is intentionally kept blank)

Key audit matters	How our audit addressed the key audit matter
<p><u>Impairment of investments in subsidiaries and loans given to subsidiaries</u> <i>(as described in notes 5,6,7 and 25 of the standalone financial statements)</i></p>	
<p>The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries both aggregating to Rs.1,81,442.47 million as at March 31, 2022. The value of investments and loans in aggregate comprise 93% of total assets in the Balance Sheet.</p> <p>The subsidiaries are in the business of owning and maintaining transmission assets/ generation of solar power and have entered into Transmission Services Agreement ("TSA") with Long Term Transmission Customers ("LTTC") and Power Purchase Agreement ("PPA") with Solar Energy Corporation of India ("SECI").</p> <p>At each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries and loans given to subsidiaries. In case of existence of impairment indicators, the investment and loan balances are subjected to impairment test, where the fair value of the subsidiary is compared with the value of investments and loans given to such subsidiaries.</p> <p>The processes and methodologies for assessing and determining the fair value of the subsidiary is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary's transmission license/ solar power purchase agreement, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We obtained an understanding of the InvIT's process on assessment of impairment of investments in subsidiaries and loans to subsidiaries and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls. • We obtained and read the valuation report of the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • We evaluated the independent valuation expert's methodology, assumptions and estimates used in the calculations. • We tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs / PPAs/ tariff orders. • We tested completeness, arithmetical accuracy and validity of the data used in the calculations. • In performing the above procedures, we involved valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • We read and assessed the disclosures included in the notes to the standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p><u>Classification of unit holders' funds as equity</u> <i>(as described in Note 25 of the standalone financial statements)</i></p>	
<p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • We obtained and read the requirements for classification of financial liability and equity under Ind AS 32 and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders funds in the financial statements of an Infrastructure Investment Trust. • We read and assessed the disclosures included in the standalone financial statements for compliance with the relevant requirements of InvIT regulations.
<p><u>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</u> <i>(as described in Note 25 of the standalone financial statements)</i></p>	
<p>The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • We read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • We discussed with the management and obtained an understating of the InvIT's policy on the assessment of fair value and the assumptions used by the management, including design and implementation of controls, validation of management review controls. We have tested the operating effectiveness of these controls.

as a going concern.

- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2022 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Based on our audit, we report that:

- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
- (b) The Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with InvIT Regulations.

For S R B C & CO LLP

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

per Huzefa Ginwala

Partner

Membership Number: 111757

UDIN: 22111757AJIJK3567

Place of Signature: Pune

Date: May 20, 2022